

## SMALL ELECTRICITY CUSTOMER DISCONNECTIONS, HARDSHIP AND COMPLAINTS STATISTICS - MARCH QUARTER 2011

### 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 collected from licensed retailers.

From the start of 2010-11, retailers have been required to report disconnections, hardship and complaints data quarterly and in greater detail than previously required by the Code. Distributors are also required to report quarterly on the number of disconnections they have performed at the request of each retailer and the number of disconnections performed at their own instigation.

As at 31 March 2011, there were two licensed distributors (Energex and Ergon Energy) servicing 22 retailers in Queensland (following the sale of Energy Australia, Integral Energy and Country Energy)<sup>2</sup>. Of those retailers, 10 supplied electricity to small customers – nine supplying small customers in South East Queensland and Ergon Energy Queensland supplying small customers in the remainder of the State.

### 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; and
- (c) the number of pensioners or concession card holders who were disconnected due to non-payment.

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

2 Some retailers hold more than one licence.

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** which shows that there were some discrepancies between retailer data and Energex data due to the sale of the NSW owned retailers which reported for part of the period up to 28 February 2011 and whose data for the remainder of the period was combined with that of Origin Energy and TRUenergy. In aggregate the discrepancy between the two sources was minor.

Overall, retailers reported more disconnections (139 or 0.4% more) than did distributors. Such a discrepancy may be due partly to slight timing differences between when retailers and distributors become aware that service order requests for disconnections have been completed.

**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	332	333	7,086	7,103	7,418	7,436
Australian Power and Gas	0	0	374	385	374	385
Aurora Energy	0	0	0	0	0	0
Click Energy	0	1	98	97	98	98
Country Energy <sup>a</sup>	0	1	1	0	1	1
CS Energy	0	0	0	0	0	0
Diamond Energy	0	0	0	0	0	0
Dodo Power and Gas	0	0	0	0	0	0
Energy Australia <sup>a</sup>	0	1	0	0	0	1
Ergon Energy Queensland	1817	1,817	7,108	7,108	8,925	8,925
ERM Power Retail	0	0	0	0	0	0
Flinders Operating Services	0	0	0	0	0	0
Integral Energy <sup>a</sup>	84	50	1,528	2,587	1,612	2,637
Momentum Energy	0	0	0	0	0	0
Origin Energy <sup>b</sup>	893	943	13,836	12,751	14,729	13,694
OzGen Retail	0	0	0	0	0	0
Powerdirect	65	62	123	126	188	188
Qenergy	3	2	0	1	3	3
Lumo Energy	2	21	607	625	609	646
Red Energy	0	0	0	0	0	0
Sanctuary Energy	0	0	0	0	0	0
Simply Energy	0	0	0	0	0	0
Stanwell	0	0	0	0	0	0
Tarong Energy	0	0	0	0	0	0
TRUenergy <sup>c</sup>	59	43	1353	1,173	1,412	1,216
<b>Total</b>	3,255	3,274	32,114	31,956	35,369	35,230

a. Data from Energy Australia, Country Energy and Integral Energy is for the period 1 January to 28 February 2011, prior of the sale of these retail entities to TRUenergy and Origin Energy.

b. Includes disconnections performed by Integral Energy and Country Energy for the period 1-31 March 2011.

c. Includes disconnections performed by Energy Australia for the period 1-31 March 2011.

Information from retailers and distributors on the number of disconnections due to non-payment is presented in **Table 2**.

**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	80	85	127	1045	1,172	1,193	1,252	1,278
Australian Power and Gas	0	0	0	5	5	8	5	8
Aurora Energy	0	0	0	0	0	0	0	0
Click Energy	0	0	0	1	1	1	1	1
Country Energy <sup>a</sup>	0	1	1	0	1	0	1	1
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
Energy Australia <sup>a</sup>	0	0	0	0	0	0	0	0
Ergon Energy Queensland	94	94	410	1,778	2,188	2,188	2,282	2,282
ERM Power Retail	0	0	0	0	0	0	0	0
Flinders Operating Services	0	0	0	0	0	0	0	0
Integral Energy <sup>a</sup>	0	12	3	26	29	136	29	148
Momentum Energy	0	0	0	0	0	0	0	0
Origin Energy <sup>b</sup>	104	99	180	753	933	817	1,037	916
OzGen Retail	0	0	0	0	0	0	0	0
Powerdirect	1	1	0	1	1	1	2	2
Qenergy	0	0	0	0	0	0	0	0
Lumo Energy	2	8	14	20	34	27	36	35
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	0	0	0	0	0	0	0	0
Tarong Energy	0	0	0	0	0	0	0	0
TRUenergy <sup>c</sup>	1	2	0	13	13	18	14	20
<b>Total</b>	<b>282</b>	<b>302</b>	<b>735</b>	<b>3,642</b>	<b>4,377</b>	<b>4,389</b>	<b>4,659</b>	<b>4,691</b>

a. Data from Energy Australia, Country Energy and Integral Energy is for the period 1 January to 28 February 2011, prior of the sale of these retail entities to TRUenergy and Origin Energy.

b. Includes disconnections performed by Integral Energy and Country Energy for the period 1-31 March 2011.

c. Includes disconnections performed by Energy Australia for the period 1-31 March 2011.

### *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; and
- (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.

**Table 3** shows the number of disconnections performed at the instigation of the distributors during the March quarter 2011.

**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	103	621	23	59	806
Ergon Energy	0	0	5	5	45	58	113
Essential Energy <sup>a</sup>	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>108</b>	<b>626</b>	<b>68</b>	<b>117</b>	<b>919</b>

*a. Previously 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; and
- (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	17	455	472	25	0	553	578
Australian Power and Gas	0	0	0	0	0	0	0
Aurora Energy	0	0	0	0	0	0	0
Click Energy	0	0	0	0	0	0	0
Country Energy <sup>a</sup>	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
Energy Australia <sup>a</sup>	0	0	0	0	0	0	0
Ergon Energy Queensland	44	1,325	1,369	47	280	1,143	1,470
ERM Power Retail	0	0	0	0	0	0	0
Flinders Operating Services	0	0	0	0	0	0	0
Integral Energy <sup>a</sup>	3	12	15	3	3	9	15
Momentum Energy	0	0	0	0	0	0	0
Origin Energy <sup>b</sup>	31	449	480	39	92	402	533
OzGen Retail	0	0	0	0	0	0	0
Powerdirect	0	1	1	0	0	1	1
Qenergy	0	0	0	0	0	0	0
Lumo Energy	1	6	7	2	0	14	16
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	0	0	0	0	0	0	0
Tarong Energy	0	0	0	0	0	0	0
TRUenergy <sup>c</sup>	0	1	1	0	0	2	2
<b>Total</b>	<b>96</b>	<b>2,249</b>	<b>2,345</b>	<b>116</b>	<b>375</b>	<b>2,124</b>	<b>2,615</b>

a. Data from Energy Australia, Country Energy and Integral Energy is for the period 1 January to 28 February 2011, prior of the sale of these retail entities to TRUenergy and Origin Energy.

b. Includes disconnections performed by Integral Energy and Country Energy for the period 1-31 March 2011.

c. Includes disconnections performed by Energy Australia for the period 1-31 March 2011.

### 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. The reported 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	770	6	106	557	128
Australian Power and Gas	3	0	0	1,080	60
Aurora Energy	0	0	0	0	0
Click Energy	7	0	0	498	77
Country Energy <sup>a</sup>	16	0	4	1,455	252
CS Energy	0	0	0	0	0
Diamond Energy	0	0	0	0	0
Dodo Power and Gas	0	0	0	0	0
Energy Australia <sup>a</sup>	14	0	3	426	207
Ergon Energy Queensland	3,085	0	588	668	229
ERM Power Retail	0	0	0	0	0
Flinders Operating Services	0	0	0	0	0
Integral Energy <sup>a</sup>	1,060	0	189	787	252
Momentum Energy	0	0	0	0	0
Origin Energy <sup>b</sup>	2,182	0	196	680	273
OzGen Retail	0	0	0	0	0
Powerdirect	1	0	0	590	243
Qenergy	0	0	0	0	0
Lumo Energy	2	0	1	0	327
Red Energy	0	0	0	0	0
Sanctuary Energy	0	0	0	0	0
Simply Energy	0	0	0	0	0
Stanwell	0	0	0	0	0
Tarong Energy	0	0	0	0	0
TRUenergy <sup>c</sup>	62	0	14	1,015	254
<b>Total</b>	<b>7,202</b>	<b>6</b>	<b>1,101</b>	<b>n/a</b>	<b>n/a</b>

a. Data from Energy Australia, Country Energy and Integral Energy is for the period 1 January to 28 February 2011, prior of the sale of these retail entities to TRUenergy and Origin Energy.

b. Includes data from Integral Energy and Country Energy for the period 1-31 March 2011.

c. Includes data from Energy Australia for the period 1-31 March 2011.

## 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; and
- (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	96	1,134	4	135	44	990	144	2,259
Australian Power and Gas	0	11	0	7	0	8	0	26
Aurora Energy	0	0	0	0	0	0	0	0
Click Energy	1	10	0	5	0	9	1	24
Country Energy <sup>a</sup>	1	3	0	0	0	0	1	3
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
Energy Australia <sup>a</sup>	1	38	1	42	1	7	3	87
Ergon Energy Queensland	293	998	1	9	18	267	312	1,274
ERM Power Retail	0	0	0	0	0	0	0	0
Flinders Operating Services	0	0	0	0	0	0	0	0
Integral Energy <sup>a</sup>	1	54	1	120	3	71	5	245
Momentum Energy	0	0	0	0	0	0	0	0
Origin Energy <sup>b</sup>	20	683	5	236	23	710	48	1,629
OzGen Retail	0	0	0	0	0	0	0	0
Powerdirect	1	6	1	2	5	10	7	18
Qenergy	0	0	0	0	1	1	1	1
Lumo Energy	2	118	0	30	16	1,415	18	1,563
Red Energy	0	0	0	0	0	0	0	0
Sanctuary Energy	0	7	0	3	0	2	0	12
Stanwell	0	0	0	0	0	0	0	0
Tarong Energy	0	0	0	0	0	0	0	0
TRUenergy <sup>c</sup>	8	67	1	66	2	58	11	191
<b>Total</b>	<b>424</b>	<b>3,129</b>	<b>14</b>	<b>655</b>	<b>113</b>	<b>3,548</b>	<b>551</b>	<b>7,332</b>

a. Data from Energy Australia, Country Energy and Integral Energy is for the period 1 January to 28 February 2011, prior of the sale of these retail entities to TRUenergy and Origin Energy.

b. Includes complaints received by Integral Energy and Country Energy for the period 1-31 March 2011.

c. Includes complaints received by Energy Australia for the period 1-31 March 2011.