

Queensland Competition Authority

Information Reporting

Small Gas Customer Disconnection, Hardship and Complaint Statistics - December Quarter 2013 (Revised)

June 2014

Introduction

Clause 5.5.1 of the Gas Industry Code (the Code) requires that the QCA monitor and publish information on the number of small gas customer¹ disconnections, and complaints.

During the December quarter 2013, there were four gas distributors and seven gas retailers in Queensland (AGL and Origin Energy each hold two retail licences). Maranoa Regional Council and Western Downs Regional Council each hold distribution and retail licences that permit them to retail gas to customers only within their specific distribution areas.

Customer disconnections

The QCA defines disconnections to include all instances where a small customer's gas supply has been physically terminated by the distributor irrespective of the method of disconnection.

Retailer initiated disconnections

Clause 5.5.2 of the Code requires that all gas 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 5.5.4 of the Code requires all distributors to 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**. Information from retailers and distributors related to disconnections for non-payment is presented in **Table 2**.

Overall, retailers reported 135 (15.4%) more disconnections than distributors. Discrepancies may be due partly to slight timing differences between when retailers and distributors become aware that service order requests for disconnections have been completed. In the previous quarter, Origin Energy reported 400 fewer disconnections than the distributors. This was investigated and an error in the report specification was found and has now been rectified, which is reflected in the smaller discrepancy.

¹ A small gas customer is defined as a residential or business customer whose gas consumption is under one terajoule per year.

Table 1 Total 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	28	23	330	281	358	304
Australian Power and Gas	0	0	28	31	28	31
Dodo Power & Gas	0	0	0	0	0	0
Origin Energy	49	31	359	293	408	324
Simply Energy	0	0	0	0	0	0
Maranoa Regional Council	0	0	19	19	19	19
Western Downs Regional Council	0	0	201	201	201	201
Total	77	54	937	825	1,014	879

Table 2 Small customer disconnections due to non-payment

<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>
			<i>Pensioner/ concession card holders</i>	<i>Others</i>	<i>Total</i>			
AGL Sales	21	18	34	180	214	185	235	203
Australian Power and Gas	0	0	5	21	26	26	26	26
Dodo Power & Gas	0	0	0	0	0	0	0	0
Origin Energy	20	16	37	95	132	161	152	177
Simply Energy	0	0	0	0	0	0	0	0
Maranoa Regional Council	0	0	0	0	0	0	0	0
Western Downs Regional Council	0	0	0	38	38	38	38	38
Total	41	34	76	334	410	410	451	444

Disconnections performed at the instigation of the distributors

Clause 5.5.4 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 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>Small business customers</i>	<i>Small residential customers</i>						
APT Allgas Energy	0	4	1	10	9	33	10	47
Envestra Ltd	0	8	0	7	6	29	6	44
Maranoa Regional Council	0	0	0	0	0	0	0	0
Western Downs Regional Council	0	0	0	0	0	0	0	0
Total	0	12	1	17	15	62	16	91

Customer reconnections

Clause 5.5.2 of the Code requires that all gas 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 gas to a small customer's premises has been restored after a disconnection.

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>Small business customers</i>	<i>Small residential customers</i>	<i>Total</i>	<i>Small business customers</i>	<i>Small residential customer</i>		<i>Total</i>
					<i>Pensioner/concession card holders</i>	<i>Others</i>	
AGL Sales	5	57	62	8	34	100	142
Australian Power and Gas	0	10	10	0	5	7	12
Dodo Power & Gas	0	0	0	0	0	0	0
Origin Energy	3	7	10	4	37	14	55
Simply Energy	0	0	0	0	0	0	0
Maranoa Regional Council	0	0	0	0	0	0	0
Western Downs Regional Council	0	3	3	0	0	0	0
Total	8	77	85	12	76	121	209

Hardship program participation by small residential customers

Clause 5.5.2 of the Code requires that retailers provide information on the level of hardship program participation by small residential customers for the previous quarter (see **Table 5**). 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 gas 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 gas for a period of 90 days or more.

Table 5 Hardship program participation 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 into a hardship program (\$)</i>	<i>Average length of time a customer remained in a hardship program (days)</i>
AGL Sales	203	1	47	202	205
Australian Power and Gas	29	0	7	526	48
Dodo Power & Gas	0	0	0	0	0
Origin Energy	61	0	19	653	162
Simply Energy	0	0	0	0	0
Maranoa Regional Council	0	0	0	0	0
Western Downs Regional Council	0	0	0	0	0
Total	293	1	73	n/a	n/a

Customer complaints

Clause 5.5.3 of the Code requires that gas 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, in 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 a gas retailer.

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 in 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>Small business customers</i>	<i>Small residential customers</i>						
AGL Sales	52	205	1	54	22	533	75	792
Australian Power and Gas	0	1	0	0	0	0	0	1
Dodo Power & Gas	0	0	0	0	0	0	0	0
Origin Energy	17	565	0	1	10	860	27	1,426
Simply Energy	0	0	0	0	0	0	0	0
Maranoa Regional Council	0	6	0	0	0	2	0	8
Western Downs Regional Council	0	0	0	0	0	0	0	0
Total	69	777	1	55	32	1,395	102	2,227