

Queensland Competition Authority

Information Reporting

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

October 2015

INTRODUCTION

Prior to 1 July 2015, clause 5.5.1 of the Gas Industry Code (the Gas Code) required the Queensland Competition Authority (QCA) to monitor and publish information on the number of small gas customer¹ 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 2015.

As at 30 June 2015, there were four distributors and four retailers supplying reticulated natural gas to small customers in Queensland. 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.

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

DISCONNECTIONS

Customer disconnections

The QCA defines disconnections as all instances where a small customer's gas supply has been physically terminated by the distributor irrespective of the reason for or method of disconnection. Disconnections can be instigated by the customer's retailer or the distributor.

Retailer initiated disconnections

Clause 5.2.2 of the Gas Code requires all gas retailers to 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 Gas Code requires all 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 71.6% fewer disconnections than did distributors.

As in the previous quarter, the discrepancies in the March quarter 2015 derive solely from AGL and Origin Energy (Origin). These retailers indicated that discrepancies may be due partly to timing differences between when retailers and distributors become aware that service order requests for disconnections have been completed.

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	53	84	575	969	628	1,053
Charlton Gas Pipeline	0	0	0	0	0	0
Dodo Power and Gas	0	0	0	0	0	0
Maranoa Regional Council	1	1	41	41	42	42
Origin Energy	22	156	258	2,393	280	2,549
Simply Energy	0	0	0	0	0	0
Western Downs Regional Council	3	3	118	118	121	121
Total	79	244	992	3,521	1,071	3,765

Information from retailers and distributors related to disconnections for non-payment is presented in Table 2.

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	39	37	91	284	375	307	414	344
Charlton Gas Pipeline	0	0	0	0	0	0	0	0
Dodo Power and Gas	0	0	0	0	0	0	0	0
Maranoa Regional Council	0	0	0	2	2	2	2	2
Origin Energy	22	59	53	205	258	742	280	801
Simply Energy	0	0	0	0	0	0	0	0
Western Downs Regional Council	0	0	0	0	0	0	0	0
Total	61	96	144	491	635	1,051	696	1,147

Disconnections performed at the instigation of distributors

Clause 5.5.4 of the Gas 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>						
Australian Gas Networks ^a	0	0	5	46	3	17	8	63
GDI Allgas ^b	0	0	9	47	3	3	12	50
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	0	14	93	6	20	20	113

a. Was previously Envestra Ltd.

b. Was previously APT Allgas.

Customer reconnections

Clause 5.5.2 of the Gas 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 on-payment.

Reconnections occur when the flow of gas 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>Small business customers</i>	<i>Small residential customers</i>	<i>Total</i>	<i>Small business customers</i>	<i>Small residential customers</i>		<i>Total</i>
					<i>Pensioners/ concession card holders</i>	<i>Others</i>	
AGL Sales	8	94	102	14	91	147	252
Charlton Gas Pipeline	0	0	0	0	0	0	0
Dodo Power and Gas	0	0	0	0	0	0	0
Maranoa Regional Council	0	1	1	0	0	2	2
Origin Energy	3	56	59	7	53	89	149
Simply Energy	0	0	0	0	0	0	0
Western Downs Regional Council	0	0	0	0	0	0	0
Total	11	151	162	21	144	238	403

HARDSHIP PROGRAM PARTICIPATION BY SMALL RESIDENTIAL CUSTOMERS

Clause 5.5.2 of the Gas 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 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.

This information is shown in Table 5.

Table 5 Hardship program participation by small residential customers

<i>Retailer</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	284	0	39	184	254
Charlton Gas Pipeline	0	0	0	0	0
Dodo Power and Gas	0	0	0	0	0
Maranoa Regional Council	0	0	1	0	0
Origin Energy	213	0	87	368	188
Simply Energy	0	0	0	0	0
Western Downs Regional Council	0	0	0	0	0
Total	497	0	127	n/a	n/a

CUSTOMER COMPLAINTS

Clause 5.5.3 of the Gas Code requires 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 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 a gas retailer.

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>Small business customers</i>	<i>Small residential customers</i>						
AGL Sales	26	170	0	16	25	322	51	508
Charlton Gas Pipeline	0	0	0	0	0	0	0	0
Dodo Power and Gas	0	0	0	0	0	0	0	0
Maranoa Regional Council	0	2	0	0	0	0	0	2
Origin Energy	30	1,153	1	112	44	1,400	75	2,665
Simply Energy	0	0	0	0	0	0	0	0
Western Downs Regional Council	0	1	0	0	0	0	0	1
Total	56	1,326	1	128	69	1,722	126	3,176