



Independent Pricing and Regulatory Tribunal

Gas retail businesses' performance against customer service indicators in NSW

For the period 1 July 2005 to 30 June 2009

Gas — Information Paper
December 2009

© Independent Pricing and Regulatory Tribunal of New South Wales 2009

This work is copyright. The *Copyright Act 1968* permits fair dealing for study, research, news reporting, criticism and review. Selected passages, tables or diagrams may be reproduced for such purposes provided acknowledgement of the source is included.

ISBN 978-1-921628-30-6

The Tribunal member for this review is:

Mr James Cox, Acting Chairman and Chief Executive Officer

Inquiries regarding this document should be directed to a staff member:

Gary Drysdale (02) 9290 8477

Yan Cheung (02) 9290 8467

Independent Pricing and Regulatory Tribunal of New South Wales

PO Box Q290, QVB Post Office NSW 1230

Level 8, 1 Market Street, Sydney NSW 2000

T (02) 9290 8400 F (02) 9290 2061

www.ipart.nsw.gov.au

Contents

1	Introduction	1
1.1	Overview of gas retailers' performance	1
2	Disconnections due to non-payment of bills	3
2.1	Disconnections of small retail customers	4
2.2	Disconnections of residential customers on payment plans and more than once at the same address	6
3	Reconnections in the same name	9
4	Use of alternative payment methods	10
5	Security deposits held	12
6	Call centre responsiveness	15
7	Customer complaints	18
	Appendices	21
A	Retailer customer service performance data, 2005/06 to 2008/09	23
B	Notes and Definitions	29

1 Introduction

This information paper discusses the level of customer service provided by gas retailers in NSW. It is one in a series of information papers published by the Independent Pricing and Regulatory Tribunal of NSW (IPART) which aims to ensure that all stakeholders, including customers, have ready access to information about gas retail businesses.

As at 30 June 2009, 18 companies held gas retail supplier licences in NSW. Seven of these supplied gas to small retail customers in 2008/09. The NSW gas market continues to be dominated by AGL Retail Energy, which currently supplies approximately 70% of all small retail gas customers; the next biggest gas supplier in NSW is EnergyAustralia with approximately 18% of the retail market.

Under the current regulatory regime, all gas retailers licensed to operate in NSW are required to report annually on a series of customer service indicators that provide some insight into affordability and accessibility of gas services and of customers' satisfaction with the quality of service they receive. We monitor and assess the retailers' performance compared with historical data for previous years.

The section below provides an overview of gas retailers' reported performance for the period 1 July 2008 to 30 June 2009 against the following indicators:

- ▼ disconnections due to non-payment of bills (including disconnection of those on payment plans and those disconnected more than once in the same year)
- ▼ reconnections in the same name
- ▼ use of alternative payment methods by customers having difficulty paying bills
- ▼ the number of security deposits being held by retailers at 30 June and held longer than 12 months (residential customers) or 24 months (non-residential customers)
- ▼ call centre responsiveness, and
- ▼ the number of customer complaints.

1.1 Overview of gas retailers' performance

The key findings for 2008/09 are:

- ▼ The rate of disconnection for non-payment of bills by residential small retail customers has fallen for the second consecutive year to 1.3% in 2008/09, from 1.9% in 2007/08 and 2.3% in 2006/07.
- ▼ The non-residential customer disconnection rate remains low although it has increased slightly from 0.2% in 2007/08 to 0.4% in 2008/09.

- ▼ The overall use of instalment plans by gas retailers for gas (1.0%) is lower than the usage rate for electricity (3.3%). The use of other alternative payment methods, for example Centrelink's Centrepay (2.3%) also remained at lower levels for gas than for electricity (2.7%).
- ▼ Most retailers have lowered the percentage of security deposits held to less than 5% of their residential gas customer base in 2008/09. The outstanding exception being AGL Sales (Queensland) whose level of security deposits held has increased to 48% of its residential customer base in 2008/09, from 43% in 2007/08¹.
- ▼ Most retailers reported improved call centre performance in 2008/09, with lower percentages of calls abandoned or dropping out before being answered by a human operator. The notable exceptions were EnergyAustralia and Country Energy, whose call centre performance has fallen during this reporting period. However the overall service call abandonment rate remains low at 5.8%.
- ▼ The number and percentage of customers who complained to their retailer about retail supply matters were similar to last year. The rate has remained static at 0.5% in 2008/09. However, inconsistencies in reporting have been identified that suggests at least one retailer has under reported the number of complaints received. Similar to last year, complaints data indicates that billing issues concerned customers the most (billing represented almost 65% of all issues raised in 2008/09).

The sections below provide more detail on each indicator with a comparison of retailers' performance over the 4-year period to 30 June 2009.

¹ Unlike obligations placed on electricity retailers, there is no requirement for gas retailers to refund security deposits after a period of on time payment of bills.

Note

- ▼ In May 2009, we commissioned a retail licence compliance audit of all energy retail suppliers that are actively supplying small retail customers in NSW. In part this audit identified some reporting inconsistencies in the operating/performance statistics submitted by some energy licensees in previous years.
- ▼ Specifically, the audit report noted AGL is unable to verify the accuracy of any of its performance data that was maintained in its Legacy system, which was decommissioned in November 2008. The auditor reported that AGL's historical performance data for the period 1 July 2007 to 30 November 2008 cannot be validated. This has resulted in a number of reporting inconsistencies and errors in AGL's operating statistics. We will further discuss the findings from this audit report in relevant sections of this paper.
- ▼ The audit also found Origin Energy has under-reported its customer complaints numbers as the retailer has incorrectly defined what constitutes 'complaints', which was not consistent with regulatory guidelines.
- ▼ As most of the gas retailers are also dual fuel retail suppliers, most of the reporting issues identified are similar to those reported in the electricity information paper.
- ▼ AGL Electricity's retail customers were transferred to AGL sales in March 2006. AGL's previous statistics have been combined for comparative purposes.

When looking at the data on each customer service indicator presented in this information paper, it is important to note that in some cases, retailers that recorded zero, or near zero for an indicator have been omitted to simplify the presentation. However, this data is included in Appendix A, which lists all data reported.

2 Disconnections due to non-payment of bills

Disconnection of essential services is expensive for both the consumer and the provider. It also creates further hardship for customers who are already facing financial difficulties. Gas retail suppliers have adopted hardship policies to various degrees in an effort to better protect and assist vulnerable customers who are having difficulties paying their bills. As a consequence of these policies, the number of customers disconnected for non-payment of bills has decreased over the last 2 years. In 2008/09 the number of residential disconnection reduced by 35%, following 14% reduction in 2007/08.

However, we consider that greater focus will be required by gas retailers to ensure appropriate assistance is provided to small retail residential customers facing financial difficulties during times of rising energy costs in NSW.

Table 2.1 Total residential and non-residential disconnections for non-payment of gas bills in NSW

Type of Customer	2005/06	2006/07	2007/08	2008/09
Residential	19,781	22,707	19,441	12,633
As a percentage of residential customers	2.1%	2.3%	1.9%	1.3%
Non-residential	44	27	59	120
As a percentage of non-residential customers	0.2%	0.1%	0.2%	0.4%

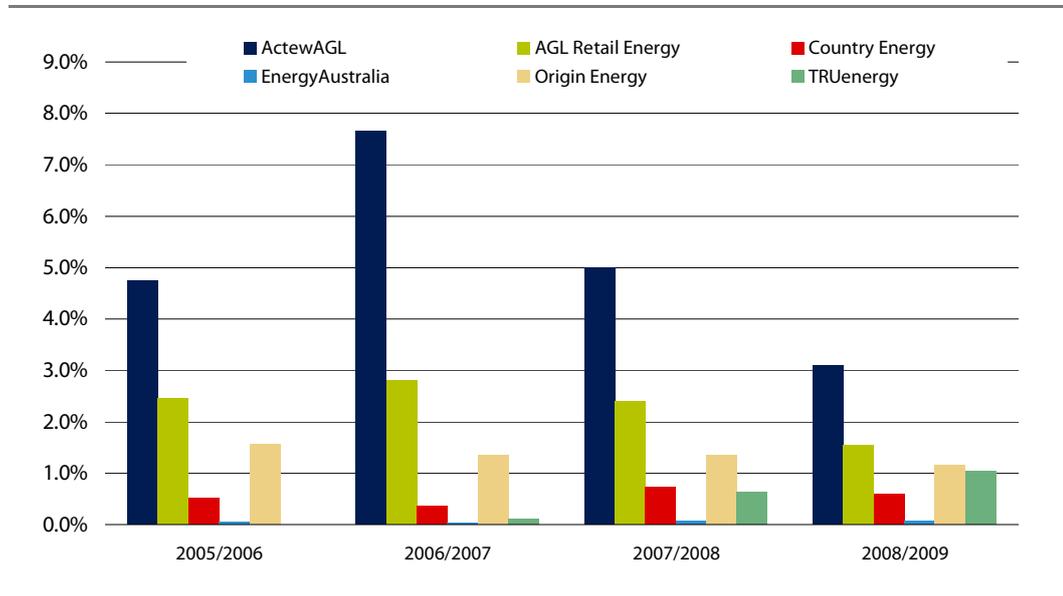
2.1 Disconnections of small retail customers

Figures 2.1 and 2.2 present the number of disconnections for non-payment of bills by retailers as a percentage of their total residential and non-residential small retail customer base (the disconnection rate).

The overall disconnection rate for residential small retail gas customers in NSW for 2008/09 was 1.3% and for non-residential small retail gas customers was 0.4%. The comparable disconnection rates in electricity were 0.6% and 0.5% respectively.

In NSW moderate climate, gas is considered more of a discretionary fuel in comparison to electricity. For this reason there is some expectation that gas disconnections will generally be higher than electricity. Customers faced with payment difficulties are more likely to forego gas payments and face gas disconnection rather than disconnection of their electricity supply. It is therefore difficult to determine what could be a reasonable difference between gas and electricity disconnection rates. However, it is pleasing to note that gas disconnections rates have fallen over the last 2 years as an apparent greater emphasis is being placed on protecting customers who face financial difficulties in paying their energy accounts.

Figure 2.1 Percentage of residential small retail customer disconnections for non-payment of bills in NSW, by retailer



With the exception of TRUenergy, all other retailers have reported lower levels of disconnection rate as a percentage of their residential small retail customer base in 2008/09 when compared to 2007/08. TRUenergy reported it has experienced an increase in the number of residential small retail customers not paying their bills and not contacting TRUenergy to discuss alternative payment options, giving rise to a higher rate of disconnection in 2008/09. The retailer maintains that it has observed regulatory protocol prior to disconnecting supply to ensure the number of disconnections remains low.

ActewAGL has reported consistently higher rates of disconnection for the last 4 years; however, its disconnection rate continues on a downward trend. ActewAGL's disconnection rate has dropped to 3.1% compared with 5.0% in 2007/08 and 7.7% in 2006/07. ActewAGL maintains that all accounts are assessed prior to disconnection in accordance with regulatory guidelines and it provides financial assistance to customers in hardship where required.

Figure 2.2 Percentage of non-residential disconnections for non-payment of bills in NSW, by retailer

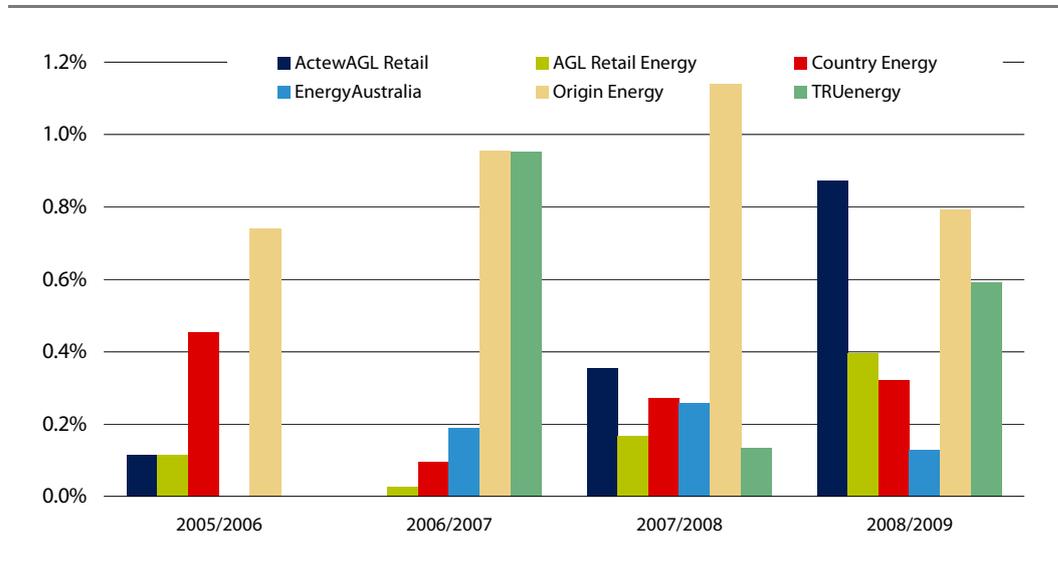


Figure 2.2 shows the level of non-residential customer disconnections has increased for most gas retailers in 2008/09, however the overall disconnection rate for non-residential customers remains low at 0.4% and the actual number of disconnections was also very low as a percentage of total NSW non-residential customer base.

2.2 Disconnections of residential customers on payment plans and more than once at the same address

Since 2007/08, retailers have been required to provide additional statistics on disconnections of residential small retail customers that were:

- ▼ on payment plans prior to disconnection; or
- ▼ disconnected at the same address on more than one occasion in the same year

Table 2.2 shows the total number of residential small retail customers in each of these categories for the last 2 reporting periods and as a percentage of total residential small retail customer disconnections.

Table 2.2 Categories of residential small retail customers prior to disconnection

Type of Customer	2007/08	2008/09
Number of residential small retail customers on payment plans	1,341	963
As a percentage of residential small retail disconnections	6.9%	7.6%
Number of residential small retail customers disconnected more than once at same address	300	541
As a percentage of residential small retail disconnections	1.5%	4.3%

Figure 2.3 NSW customers on payment plans prior to disconnection as percentage of residential small retail disconnections – by retailer

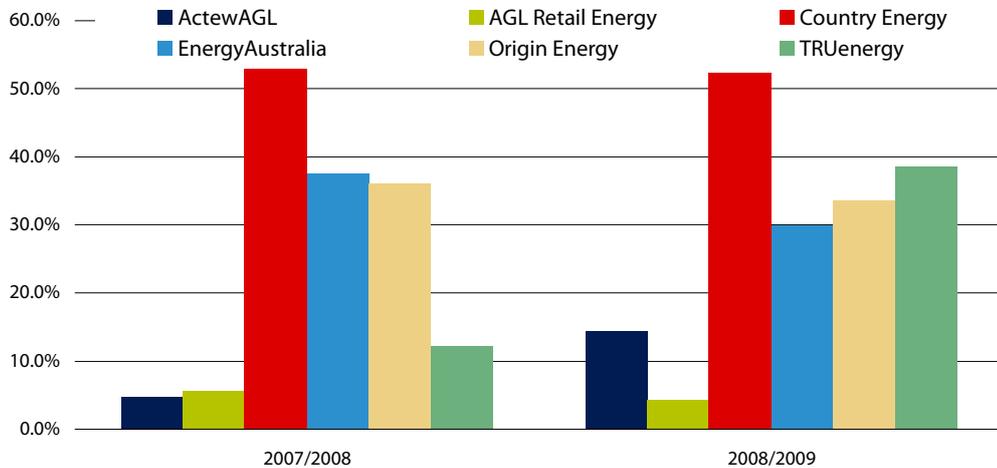


Figure 2.3 compares the percentage of customers on payment plans prior to disconnection for individual retailers. All gas retail suppliers are required to operate a payment plan with respect to customers facing financial difficulties and to offer this plan to those customers before taking any action to discontinue their energy supply².

Overall in 2008/09, 7.6% of NSW residential small retail customers that were disconnected were on payment plans prior to disconnection, compared with 6.9% in 2007/08. Figure 2.3 shows the percentage of these customers varies considerably between retailers. With only 2 years of data it is difficult to make a conclusive assessment. Retailers with high levels of customers on payment plans appear to have provided access to payment plans for customers facing payment difficulty as required. However, whether these payment plans were set at affordable levels is difficult to determine. As a consequence, we examined this issue as part of a recent audit of energy retailers that are actively supplying to small retail customers.

The audit has found all the retailers demonstrated a clear understanding of their obligation to offer payment plans or other flexible account management options to assist customers facing financial hardship. Retailers were able to demonstrate they have in place policies and procedures for their customer service staff to identify customers under financial stress and appropriately remove these customers from the disconnection process.³

The audit report noted that the current regulations do not provide specific guidance on how to assess a customer’s capacity to pay. Retailers generally assess financial hardship through discussion with the customer to arrive at an agreed amount and period of the payment plan, whereas credit checks or capacity to pay calculations are

² Clause 13A (1)(a) *Gas Supply (NGRC) Regulation 2001*.

³ Deloitte Consolidated NSW Retail Licence Compliance Audit Report, November 2009, p 12.

seldom used. However, the auditor concluded that there are effective regulatory safeguards to ensure financial hardship policies are generally robust.

Figure 2.4 Percentage of residential customers disconnected more than once in same year - by retailer

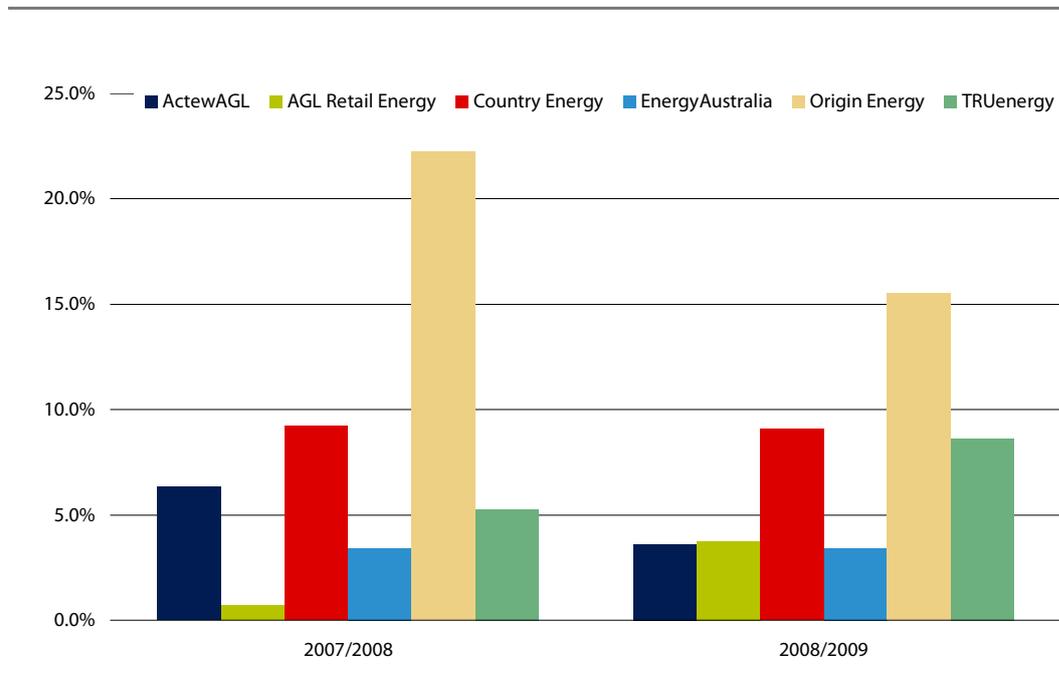


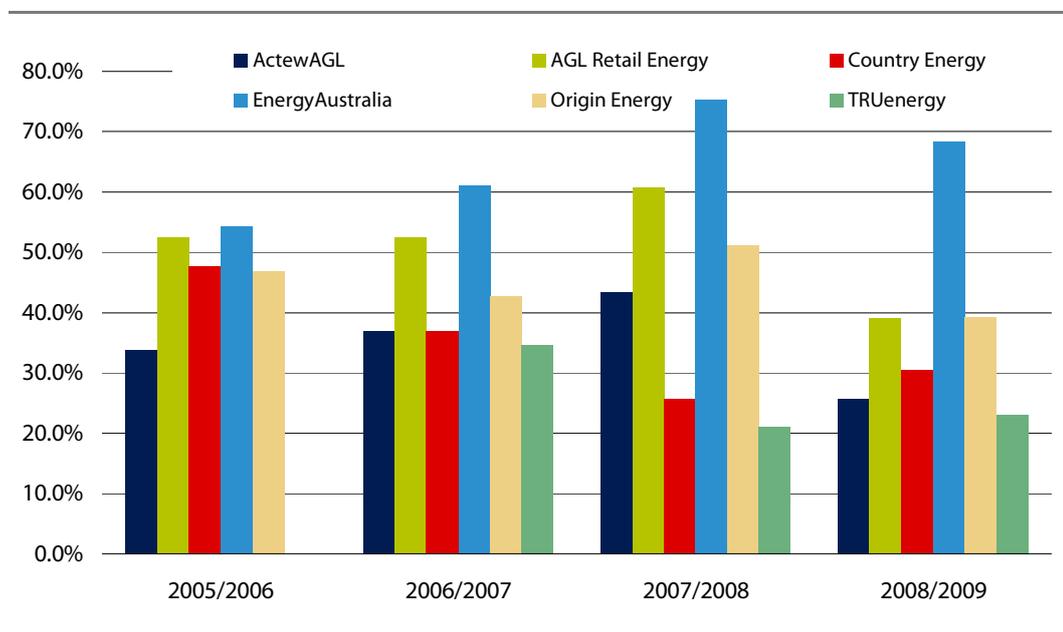
Figure 2.4 compares the percentage of residential customers disconnected more than once in the same year and at the same address. Overall 4.3% of residential small retail customers disconnected were disconnected on more than 1 occasion in 2008/09. This represents an increase from that reported in 2007/08 (1.5%), with AGL Retail Energy and TRUenergy mainly responsible for the rise in this statistic.

3 Reconnections in the same name

Figure 3.1 show the percentage of residential small retail customers disconnected for non-payment of bills in NSW whose supply was subsequently reconnected in the same name.

The overall number of residential customers disconnected and then reconnected in the same name decreased by approximately 58% in 2008/09 as compared to 2007/08. The most significant reduction in reconnection was reported by ActewAGL, AGL Retail Energy, and to a lesser extent, Origin Energy.

Figure 3.1 Percentage of NSW residential customers disconnected for non-payment of bills whose supply was reconnected in the same name, by retailer



4 Use of alternative payment methods

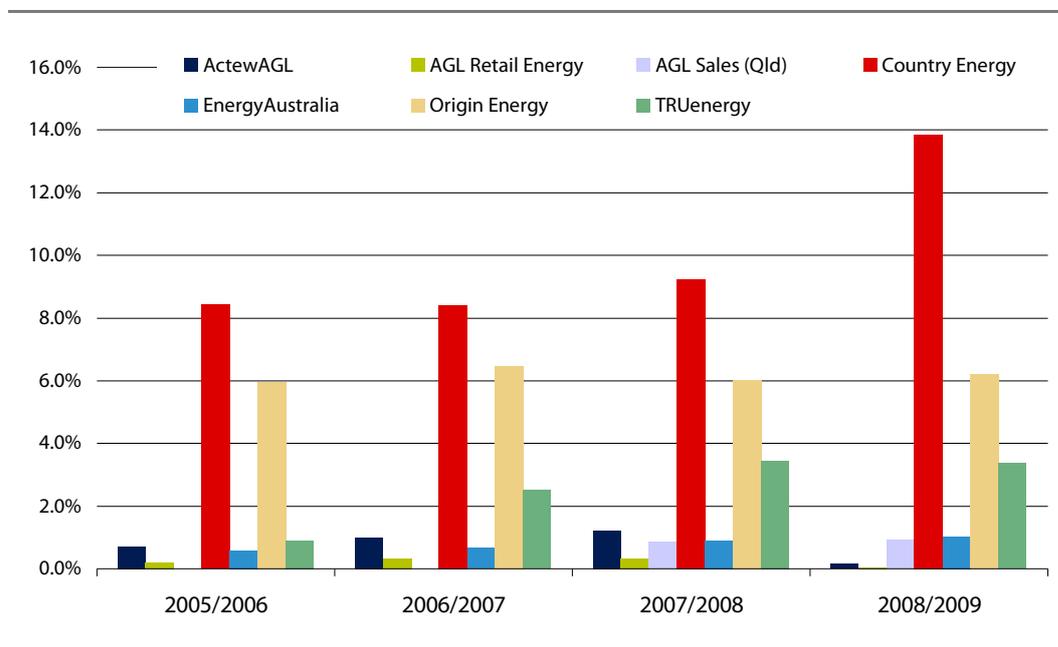
Payment plans⁴ make it possible for customers to pay their outstanding accounts over time by arrears advance, taking into account their capacity to pay. As a result, they enable customers to continue to receive supply by managing their consumption better; while at the same time assist retailers in reducing their disconnection rate.

Retailers in NSW offer varying degrees of financial assistance to customers who are having difficulty paying their gas bills, including giving them the option of paying bills in instalments, extending the due date on their bills, protecting customers from disconnection while they participate in programs, referring them to a financial relief agency or financial counsellor, and checking their meter for accuracy.

In 2008/09, there were 9,634 residential small retail gas customers on instalment plans, representing 1% of all NSW residential small retail customers. This level of payment plan usage is similar to 2007/08 (0.9%).

Figure 4.1 shows the percentage of residential small retail customers paying off outstanding accounts under an instalment plan for each retailer.

Figure 4.1 Percentage of NSW residential small retail customers using instalment plans, by retailer



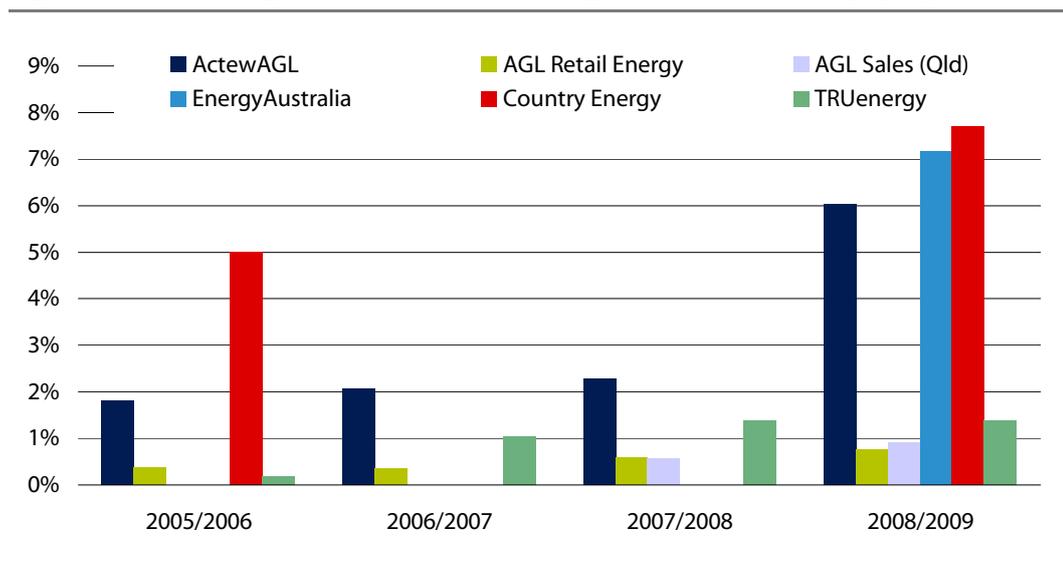
⁴ 'Payment plan' is an arrangement between a retailer and a customer for the customer to pay arrears and continued usage on their account according to an agreed payment schedule and capacity to pay. Payment plans involve at least 3 instalments. The reporting error was only rectified in 2008/09.

For most retailers the percentage of residential small retail customers on payment plans has remained stable. Country Energy continues to have the highest percentage of residential customers on instalment plans in 2008/09 at 13.8%; followed by Origin Energy with 6.2% of its customers on instalment plans. AGL Retail Energy reported the lowest percentage of its residential customers on payment plans at 0.04%⁵.

Figure 4.2 shows the percentage of residential small retail customers using Centrelink’s Centrepay bill payment facility for each retailer. Centrepay is a free service that allows Centrelink clients to pay for essential living expenses such as electricity, gas, water and rent through a direct bill payment facility before their Centrelink payment is deposited into their bank account.

By encouraging customers having difficulty paying their electricity bills to use Centrepay, retailers provide customers with an option that can help manage and budget for their bills and thus avoid disconnection. Overall, the use of Centrelink’s Centrepay has increased from 0.9 % in 2007/08 to 2.3% in 2008/09.

Figure 4.2 Percentage of NSW customers using Centrelink’s Centrepay, by retailer



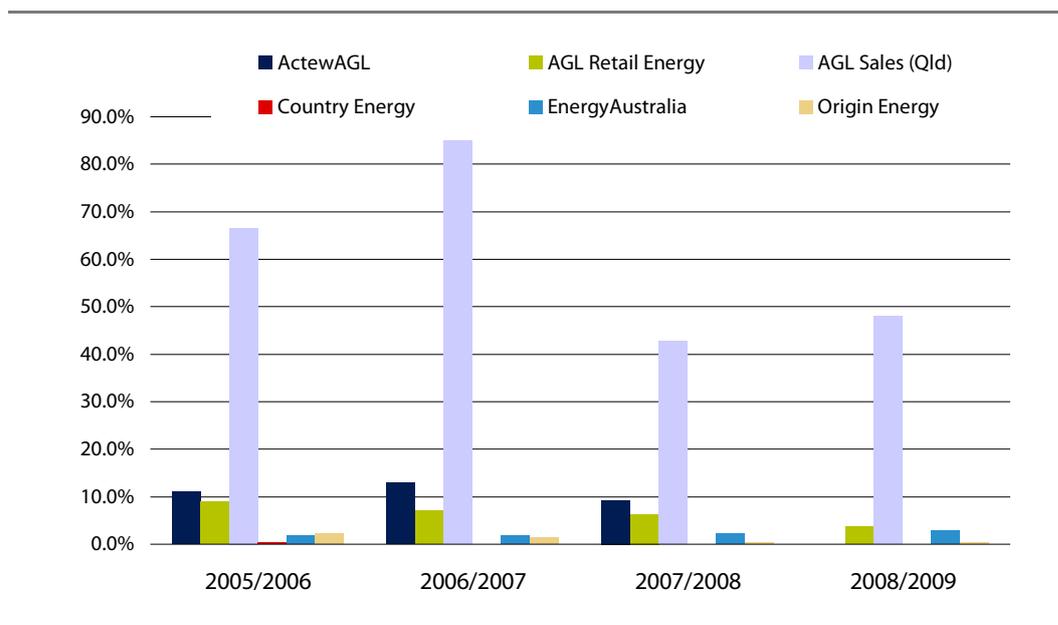
⁵ AGL Retail Energy had overstated the number of customers on payment plans in previous years. It has incorrectly included customers on payment plans with less than 3 instalments, contrary to the guidelines in the licence compliance reporting manual.

Country Energy reported the highest level of Centrepay use among gas small retail customers (7.7%)⁶. This was followed by EnergyAustralia with 7.2% of its customers reportedly using this facility, however EnergyAustralia's figure is a combined total number of small retail customers on Centrepay for both electricity and gas⁷, hence it may not accurately reflect the actual number of gas customers using Centrepay.

5 Security deposits held

Figure 5.1 shows the percentage of NSW residential small retail gas customers who had security deposits held by their retailer on 30 June 2009 compared to previous years⁸.

Figure 5.1 Percentage of NSW residential customers who had security deposits held by their retailer on 30 June



For most retailers, less than 5% of their residential gas customers had security deposits held in 2008/09, with the exception of AGL Sales (Queensland) where almost 48% of its residential customers had a security deposit held in 2008/09, a small increase from 2007/08 (43%). AGL Sales (Queensland) had previously advised

⁶ Please note the statistics on Country Energy's Centrepay customers for 2006/07 and 2007/08 has been removed from Figure 4.2 since reporting errors have recently been identified. The retailer had incorrectly counted the number of Centrepay transactions rather than the number of individual customers on Centrepay.

⁷ EnergyAustralia has advised that it does not have the reporting capability to segregate the number of Centrepay users between its electricity and gas customer base. The retailer indicated that it estimated that the majority of the Centrepay users are electricity or dual-fuel customers.

⁸ This indicator does not reflect the total number of security deposits required to secure connection or reconnection to supply within the period as they do not include those deposits held during the period but released prior to 30 June.

that this is a legacy from the previous owner of the company, Sun Gas Retail⁹. IPART also notes that, unlike obligations placed on electricity retailers, there is no requirement for security deposits to be refunded after a period of on time payment of bills¹⁰.

Figure 5.2 Percentage of security deposits from residential small retail customers held by retailers for longer than 12 months

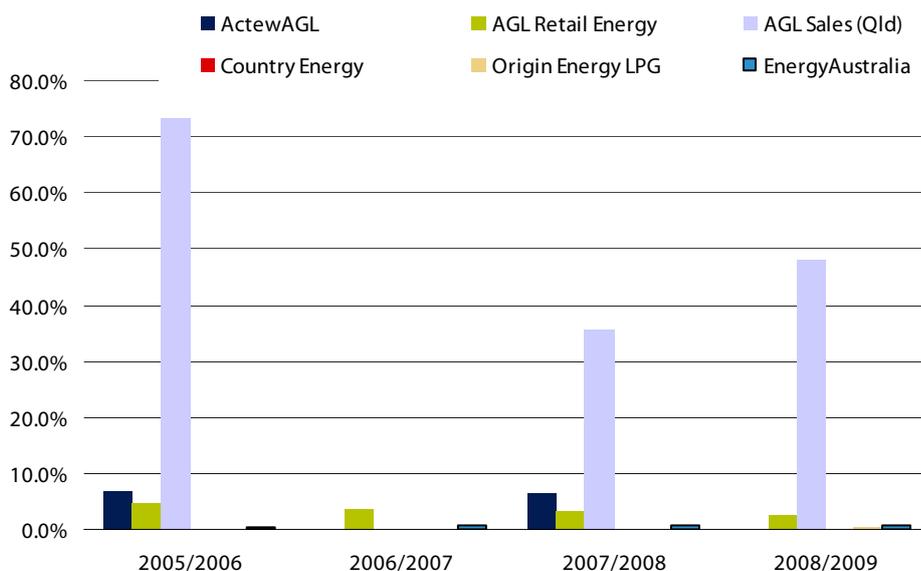


Figure 5.2 shows the percentage of security deposits from residential customers held longer than 12 months. For reasons noted above, AGL Sales (Queensland) also reported the highest percentage of residential security deposits held for longer than 12 months in 2008/09 at 48%, an increase from 36% in 2007/08¹¹. For all other retailers this percentage was below 3%.

⁹ Please note that 2005/06 data for AGL Sales (Qld) has been merged with data for Sun Gas Retail due to AGL's acquisition of this company.

¹⁰ In electricity, a customer supplied under a standard form customer supply contract may be required to pay a security deposit under IPART's current electricity retail pricing determination. The security deposit is limited to 1.5 times the average bill for customers paying bills quarterly and must be refunded after 12 months of on-time bill payment for residential customer and after 24 months of on-time bill payment for business customers.

¹¹ Please note that data for AGL Sales (Qld) for 2005/06 was merged with Sun Gas Retail due to AGL's acquisition of this company. However, AGL advised it was not able to provide this statistic for 2006/07 due to system constraints associated with the previous owners reporting processes.

Figure 5.3 Percentage of non-residential small retail customers who had security deposits held by their retailer on 30 June

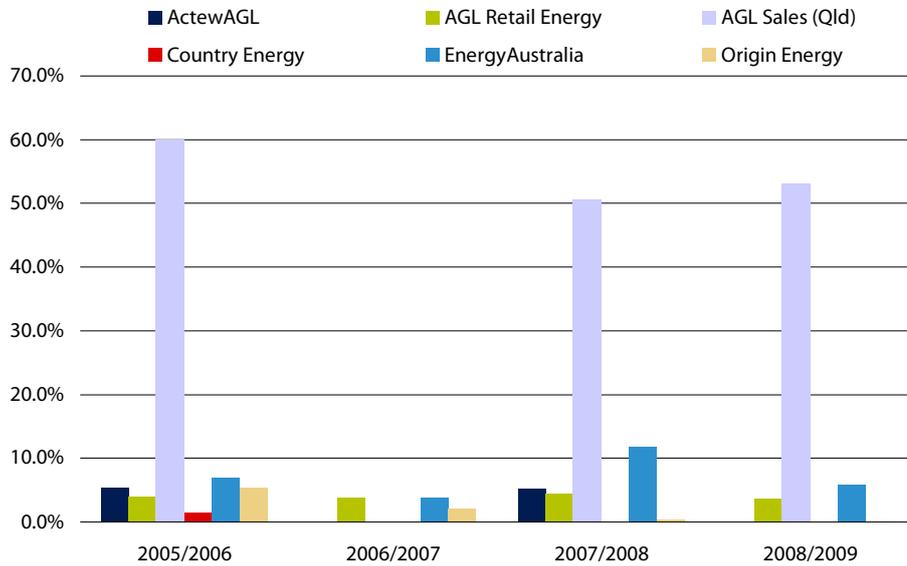


Figure 5.3 shows the percentage of NSW non-residential small retail gas customers who had security deposits held by their retailer on 30 June 2009 compared to previous years. With the exception of AGL Sales (Queensland), retailers reported less than 6% of their customers had security deposits held as at 30 June 2009. AGL Sales (Qld) has slightly increased the level of security deposits held at 53%, compared to 51% in 2007/08.

Figure 5.4 Percentage of security deposits from non-residential small retail customers held by retailers for longer than 24 months

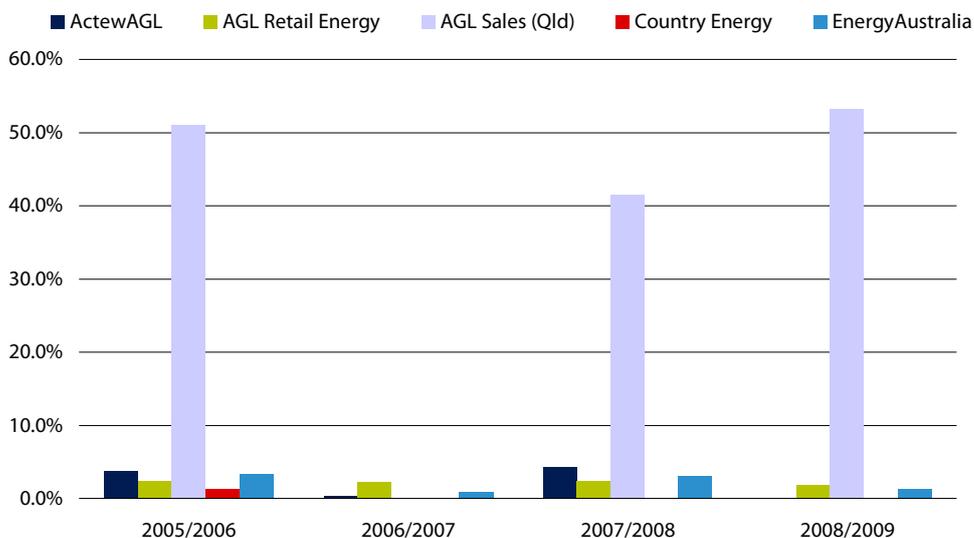


Figure 5.4 shows the percentage of security deposits from non-residential customers held longer than 24 months. For reasons noted above, AGL Sales (Queensland) also reported the highest percentage of non-residential security deposits held for longer than 24 months in 2008/09 at 53%, an increase from 42% in 2007/08. For all other retailers this percentage was below 2%.

6 Call centre responsiveness

All retailers are required, as a guaranteed customer service standard, to provide a telephone service that operates during business hours to which a person can be connected for not more than the price of a local telephone call¹². This telephone service must be able to receive notice of, and give information about, customers' bills and customer connections arranged by the supplier.

Where calls are made to retailers' call centres to make a complaint and/or an enquiry, and where the calls are initially answered by an automated interactive voice response (IVR) system, retailers are required to make a provision for the caller to be transferred to a human operator. Where this is the case, the data is collected on the number of calls answered within 30 seconds of the caller selecting the option to be transferred to a human operator.

¹² Established under clause 48 and Schedule 1, Part 2, clause 14(2) of the Gas Supply (*Natural Gas Retail Competition*) Regulation 2001.

Figure 6.1 Percentage of calls that were abandoned or dropped out before being answered by a human operator

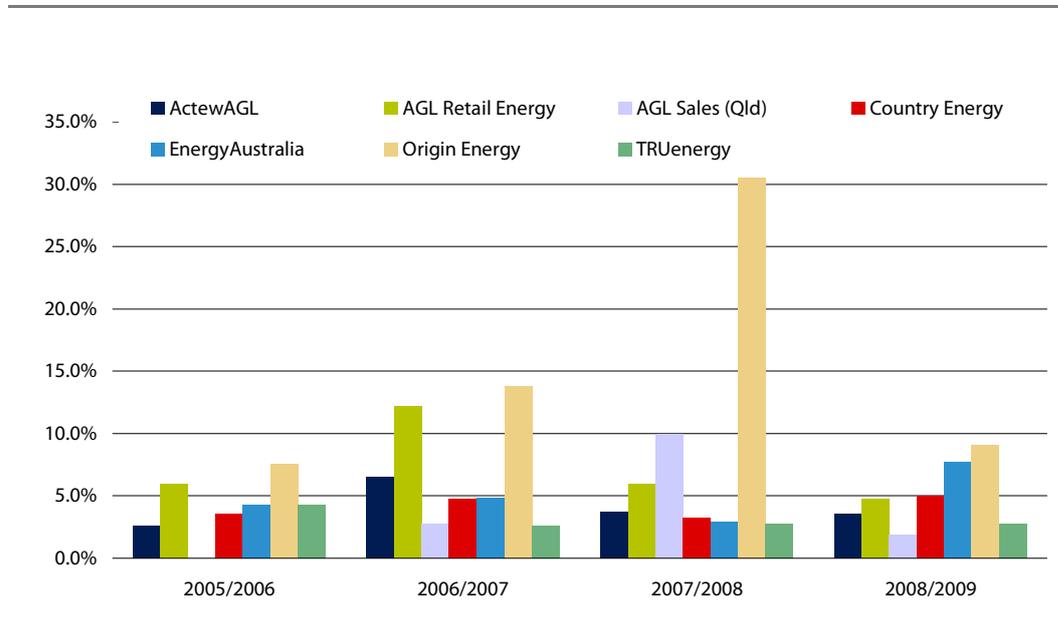


Figure 6.1 shows the percentage of calls to retailers’ telephone services that were abandoned or dropped out before being answered by a human operator. Overall, call centre performance has declined in 2008/09 with 5.8% of calls being abandoned or dropping out before being answered by a human operator compared with 4.6% in 2007/08. EnergyAustralia has reported the largest increase in abandonment rate at 7.7% in 2008/09 compared with last year’s call centre performance of 2.9%.

Similar to the issues outlined for the electricity sector, EnergyAustralia and Country Energy attributed the decline in their call centre performance to higher levels of complex account enquiry calls in 2008/09; particularly in relation to high account enquiries, customers’ inability to pay and queries into price increases. EnergyAustralia also implemented new call centre procedures associated with new marketing campaigns. These factors have impacted on their call centre performance in handling the volume of calls received.

AGL Sales has reported that in the past it did not include abandoned calls answered by its IVR system at first instance and as a result, it is likely that AGL Sales had previously under-reported the number of abandoned calls¹³.

Against this trend, Origin Energy has reported the most significant improvement in 2008/09, with its abandonment rate at 9%, down from almost 31% in 2007/08. Although this is a significant improvement, we note that Origin Energy is still worst performing retailer for this indicator and improvement is warranted.

¹³ This reporting error was only rectified in November 2008. AGL was unable to provide revised data on its call centre service levels prior to this date due to internal reporting system limitation.

Figure 6.2 Percentage of calls answered by a human operator within 30 seconds

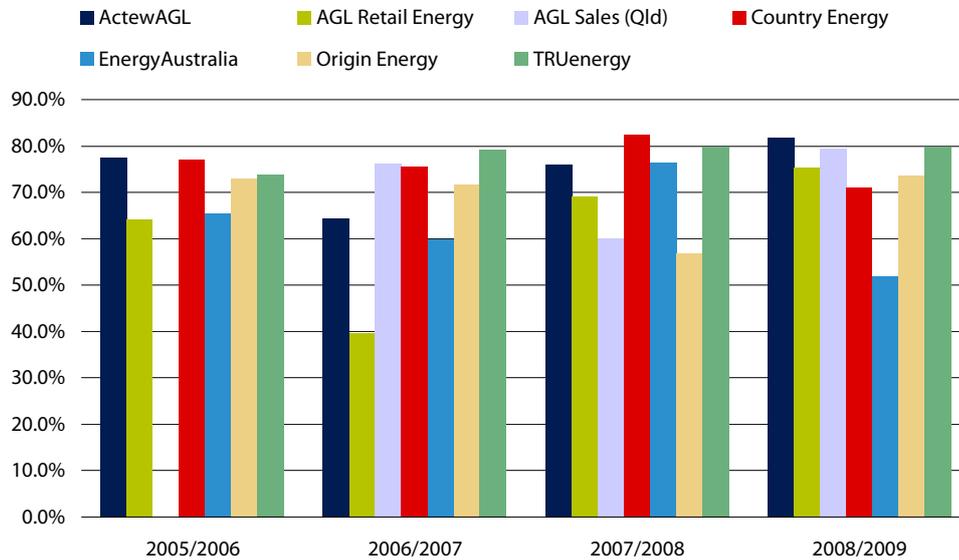


Figure 6.2 shows the percentage of calls that were answered by a human operator within 30 seconds. Overall in NSW 66.0% of calls were answered by a human operator within 30 seconds in 2008/09, compared with 74.9% in 2007/08. The overall responsiveness of retailers' call centres has declined in 2008/09, despite most retailers reporting higher response rates compared to last year. However, poorer performance from EnergyAustralia and (to a less extent) Country Energy contributed to most of the decline. As a consequence of the issues stated above, EnergyAustralia's call centre response rate has dropped significantly from 76.5% in 2007/08 down to 51.9% in 2008/09.

7 Customer complaints

Table 7.1 shows the total number of customer complaints about gas retail supply matters in NSW. This performance measure is defined as the number of customers who have contacted their retailer to express dissatisfaction with some aspect of the service and seek a resolution. The indicator includes customer complaints to the retailer about retail supply matters and its failure to observe its procedures.

Table 7.1 Number of small retail customer complaints about retail supply matters

	2005/06	2006/07	2007/08	2008/09
Number of complaints related to marketing	362	117	114	187
Number of complaints related to billing	3,136	2,507	3,576	3,425
Number of complaints related to "other" matters	492	776	1,351	1,663
Total number of complaints	3,990	3,400	5,041	5,275
Total complaints as a percentage of customers	0.4%	0.3%	0.5%	0.5%

The overall number of customer complaints about retail supply matters in 2008/09 is similar to that reported in 2007/08. When expressed as a percentage of the total number of small retail customers in NSW it has remained stable at 0.5% and is consistent with the overall complaint rate reported in electricity sector at 0.4%.

Similar to the electricity sector, the issue that concerned most gas small retail customers was billing, with about 65% of total complaints reported (compare with 48% of total electricity complaints). This finding is consistent with EWON complaints data (see information below). The retail suppliers most involved with these billing complaints were AGL and (to a lesser extent) Origin Energy. Both these retail suppliers undertook major upgrades of their customer service and/or billing systems during this year, and billing-related issues stemmed from problems associated with this.

Marketing complaints accounted for only 3.5% of total complaints in 2008/09, representing a small increase from 2.3% in 2007/08. This trend is similar to that reported by electricity retailers and appears to reflect an increase in marketing activity in 2008/09. However, the number of marketing complaints as a percentage of total direct marketing contacts made by all NSW retailers remains low at 0.04% in 2008/09 (compared to 0.03% in 2007/08).

A recent licence compliance audit found there was a degree of subjectivity in the way certain retailers classify what constitutes a 'customer complaint'. In particular, Origin Energy had incorrectly defined customer complaints and as a result not all customer complaints that were made with its call centre were captured in its complaints data.

Figure 7.1 Customer complaints as a percentage of total small retail customers

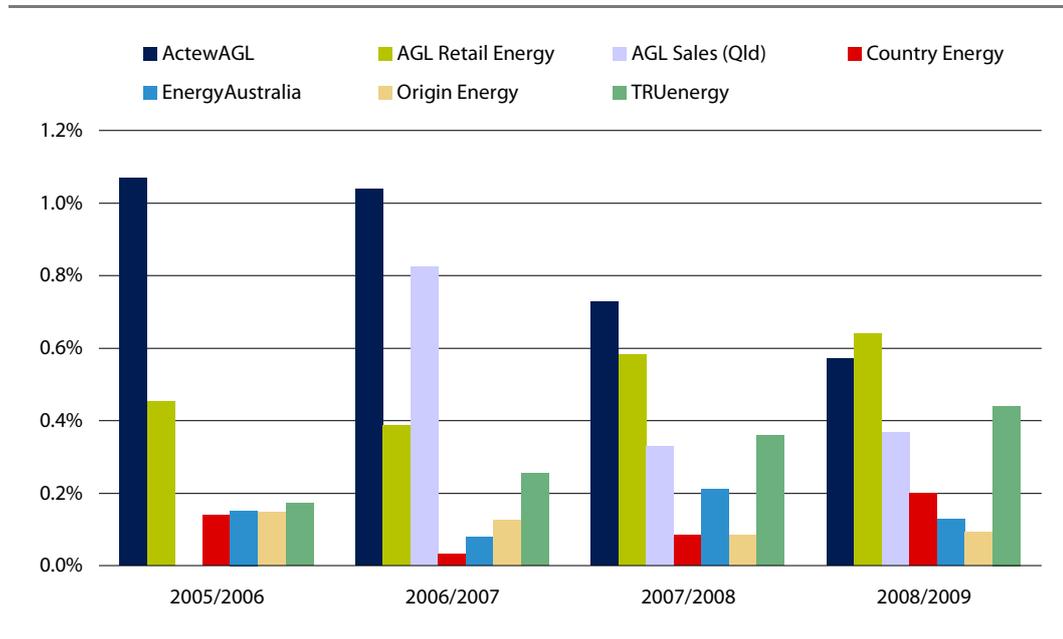


Figure 7.1 shows the customer complaints received by individual retailers as a percentage of their total number of small retail customers. For a number of retailers, the percentage of complaints received increased in 2008/09. ActewAGL and AGL Retail Energy recorded the highest customer complaints rate at 0.6%, and then followed by AGL Sales (Queensland) and TRUenergy at 0.4%. However, these levels of complaints are still considered low.

Figure 7.2 Types of gas complaints reported to EWON 2008/09¹⁴

EWON Gas Issues by Category 2008/09

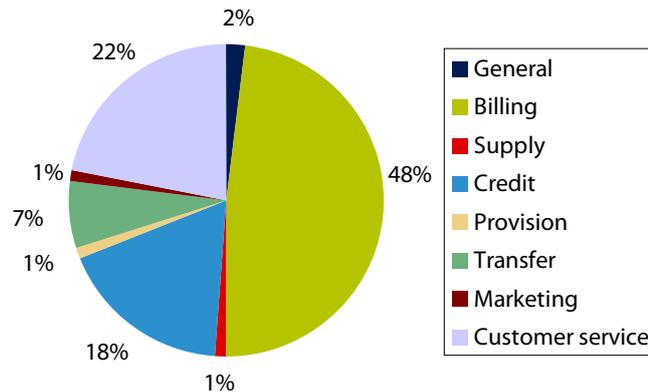


Figure 7.2 charts the categories of complaints lodged with EWON as stated in the 2008/09 EWON Annual Report. We use EWON statistics as a sensitivity check to assess complaints data provided by the retailers. Please note that EWON categorises customer complaints differently to the data reported by the gas retailers to us.

We also note that the complaints made to EWON generally represent only a small subset of the complaints made to the retailers themselves. Nevertheless, consistent with operating statistics provided to us, EWON's report shows that billing was the main area of customer complaints accounting for 48% of total gas complaints (up from 40% of total complaints in the previous year). Customer complaints in all other categories have remained stable or reduced slightly.

¹⁴ Energy & Water Ombudsman NSW, *Annual Report 2008/09*, p 14.



Appendices

A Retailer customer service performance data, 2005/06 to 2008/09

Table A.1 Percentage of Residential Small Retail Customers Disconnected For Non-Payment of Bills

	2005/06	2006/07	2007/08	2008/09
ActewAGL	4.7%	7.7%	5.0%	3.1%
AGL Retail Energy	2.5%	2.8%	2.4%	1.5%
AGL Sales (Qld)	1.6%	0.0%	0.0%	0.0%
Country Energy	0.5%	0.4%	0.7%	0.6%
EnergyAustralia	0.0%	0.0%	0.1%	0.1%
Origin Energy	1.6%	1.3%	1.3%	1.1%
TRUenergy	0.0%	0.1%	0.6%	1.0%
Total NSW residential small retail disconnections	19,781	22,707	19,441	12,633
Residential disconnections as % of total residential customers	2.1%	2.3%	1.9%	1.3%

Table A.2 Percentage of Non-Residential Small Retail Customers Disconnected For Non-Payment of Bills

	2005/06	2006/07	2007/08	2008/09
ActewAGL Retail	0.1%	0.0%	0.4%	0.9%
AGL Retail Energy	0.1%	0.0%	0.2%	0.4%
AGL Sales (Qld)	0%	0%	0%	0%
Country Energy	0.5%	0.1%	0.3%	0.3%
EnergyAustralia	0.0%	0.2%	0.3%	0.1%
Origin Energy	0.7%	1.0%	1.1%	0.8%
TRUenergy	0.0%	1.0%	0.1%	0.6%
Total NSW non-residential small retail disconnections	44	27	59	120
Non-residential disconnections as % of total non-residential customers	0.2%	0.1%	0.2%	0.4%

Table A.3 Percentage of Residential Customer Using Payment Plans Prior to Disconnection

	2007/08	2008/09
ActewAGL	4.7%	14.4%
AGL Retail Energy	5.7%	4.3%
AGL Sales (Qld)	N/A	N/A
Country Energy	52.9%	52.4%
EnergyAustralia	37.6%	29.9%
Origin Energy	36.1%	33.7%
TRUenergy	12.3%	38.6%
Total customers on payment plans prior to disconnection	1,341	963
Customers on payment plans prior to disconnection as % of total disconnections	6.9%	7.6%

Table A.4 Percentage of Residential Customer Disconnected More Than Once in the Same Year

	2007/08	2008/09
ActewAGL	6.3%	3.6%
AGL Retail Energy	0.7%	3.8%
AGL Sales (Qld)	N/A	N/A
Country Energy	9.2%	9.1%
EnergyAustralia	3.4%	2.3%
Origin Energy	22.3%	15.5%
TRUenergy	5.3%	8.6%
Total customers disconnected more than once in the year at the same address	300	541
Customers disconnected more than once in the same year as % of total disconnections	1.5%	4.3%

Table A.5 Percentage of Residential Customers Disconnected Then Reconnected In Same Name

	2005/06	2006/07	2007/08	2008/09
ActewAGL	33.8%	36.9%	43.3%	25.6%
AGL Retail Energy	52.5%	52.6%	60.7%	39.1%
AGL Sales (Qld)	84.6%	N/A	N/A	N/A
Country Energy	47.7%	36.8%	25.7%	30.5%
EnergyAustralia	54.2%	61.1%	75.2%	68.4%
Origin Energy	46.9%	42.7%	51.2%	39.3%
TRUenergy	0.0%	34.6%	21.1%	23.1%
Grand Total	51.4%	51.3%	59.0%	38.2%

Table A.6 Percentage of Non-Residential Customers Disconnected Then Reconnected

	2005/06	2006/07	2007/08	2008/09
AGL Retail Energy	0.0%	0.0%	61.1%	8.9%
AGL Sales (Qld)	N/A	N/A	N/A	N/A
Country Energy	36.4%	0.0%	0.0%	40.0%
EnergyAustralia	0.0%	25.0%	75.0%	100.0%
Origin Energy	71.4%	66.7%	81.8%	80.0%
TRUenergy	0.0%	16.7%	0.0%	75.0%
Grand Total	20.5%	29.6%	57.6%	21.4%

Table A.7 Percentage of Residential Customers Using Instalment Plans

	2005/06	2006/07	2007/08	2008/09
ActewAGL	0.7%	1.0%	1.2%	0.2%
AGL Retail Energy	0.2%	0.3%	0.3%	<0.1%
AGL Sales (Qld)	0.0%	0.0%	0.9%	0.9%
Country Energy	8.4%	8.4%	9.2%	13.8%
EnergyAustralia	0.6%	0.7%	0.9%	1.0%
Origin Energy	6.0%	6.5%	6.0%	6.2%
TRUenergy	0.9%	2.5%	3.4%	3.4%
Grand Total	0.6%	0.8%	0.9%	1.0%

Table A.8 Percentage of Residential Customers Using Centrelink's Centrepay

	2005/06	2006/07	2007/08	2008/09
ActewAGL	1.8%	2.1%	2.3%	6.0%
AGL Retail Energy	0.4%	0.4%	0.6%	0.8%
AGL Sales (Qld)	0.0%	0.0%	0.6%	0.9%
Country Energy	5.0%	2.0%	13.3%	7.7%
EnergyAustralia	0.0%	0.0%	0.0%	7.2%
TRUenergy	0.2%	1.0%	1.4%	1.4%
Grand Total	0.5%	0.4%	0.9%	2.3%

Table A.9 Percentage of Residential Small Retail Customers Having Security Deposits Held At 30 June

	2005/06	2006/07	2007/08	2008/09
ActewAGL	11.0%	12.9%	9.3%	0.0%
AGL Retail Energy	8.9%	7.1%	6.3%	3.7%
AGL Sales (Qld)	66.6%	84.8%	42.8%	48.1%
Country Energy	0.3%	0.0%	0.0%	0.0%
EnergyAustralia	1.7%	1.7%	2.2%	2.8%
Origin Energy	2.4%	1.3%	0.3%	0.2%
Grand Total	7.5%	5.9%	5.2%	3.2%

Table A.10 Percentage of Residential Small Retail Customers Having Security Deposits Held Longer Than 12 Months

	2005/06	2006/07	2007/08	2008/09
ActewAGL	6.8%	0.1%	6.3%	0.0%
AGL Retail Energy	4.5%	3.7%	3.0%	2.6%
AGL Sales (Qld)	73.2%	0.0%	35.7%	48.1%
Country Energy	0.2%	0.0%	0.0%	0.0%
EnergyAustralia	0.5%	0.7%	0.7%	0.9%
Origin Energy LPG	0.0%	0.0%	0.0%	0.2%
Grand Total	3.8%	2.9%	2.5%	2.1%

Table A.11 Percentage of Non-Residential Small Retail Customers Having Security Deposits Held At 30 June

	2005/06	2006/07	2007/08	2008/09
ActewAGL	5.4%	0.0%	5.2%	0.0%
AGL Retail Energy	3.9%	3.8%	4.4%	3.6%
AGL Sales (Qld)	60.0%	0.0%	50.6%	53.2%
Country Energy	1.5%	0.0%	0.0%	0.0%
EnergyAustralia	6.9%	3.8%	11.9%	5.9%
Origin Energy	5.3%	2.1%	0.4%	0.1%
Grand Total	4.1%	3.3%	4.5%	3.5%

Table A.12 Percentage of Non-Residential Small Retail Customers Having Security Deposits Held for longer than 24months

	2005/06	2006/07	2007/08	2008/09
ActewAGL	3.7%	0.3%	4.3%	0.0%
AGL Retail Energy	2.4%	2.2%	2.4%	1.9%
AGL Sales (Qld)	51.1%	NA	41.6%	53.2%
Country Energy	1.3%	0.0%	0.0%	0.0%
EnergyAustralia	3.4%	0.9%	3.0%	1.4%
Grand Total	2.4%	1.8%	2.3%	1.7%

Table A.13 Percentage of Calls Abandoned or Dropped Out

	2005/06	2006/07	2007/08	2008/09
ActewAGL	2.6%	6.5%	3.7%	3.5%
AGL Retail Energy	6.0%	12.2%	6.0%	4.8%
AGL Sales (Qld)	0.0%	2.8%	10.0%	1.8%
Country Energy	3.6%	4.7%	3.3%	5.0%
EnergyAustralia	4.3%	4.9%	2.9%	7.7%
Origin Energy	7.6%	13.8%	30.5%	9.1%
TRUenergy	4.3%	2.6%	2.7%	2.7%
Grand Total	4.4%	6.5%	4.6%	5.8%

Table A.14 Percentage of Calls Answered By a Human Operator within 30 Seconds

	2005/06	2006/07	2007/08	2008/09
ActewAGL	77.5%	64.4%	76.1%	81.9%
AGL Retail Energy	64.2%	39.7%	69.1%	75.3%
AGL Sales (Qld)	0.0%	76.3%	60.1%	79.3%
Country Energy	77.1%	75.7%	82.5%	70.9%
EnergyAustralia	65.4%	60.0%	76.5%	51.9%
Origin Energy	72.9%	71.6%	57.0%	73.6%
TRUenergy	73.8%	79.3%	80.0%	80.0%
Grand Total	68.8%	60.6%	74.9%	66.0%

Table A.15 Percentage of Complaints Lodged Against Individual Retailers by Small Retail Customers on Retail Supply Matters

	2005/06	2006/07	2007/08	2008/09
ActewAGL	1.1%	1.0%	0.7%	0.6%
AGL Retail Energy	0.5%	0.4%	0.6%	0.6%
AGL Sales (Qld)	0.0%	0.8%	0.3%	0.4%
Country Energy	0.1%	0.0%	0.1%	0.2%
EnergyAustralia	0.2%	0.1%	0.2%	0.1%
Origin Energy	0.1%	0.1%	0.1%	0.1%
TRUenergy	0.2%	0.3%	0.4%	0.4%
Grand Total	0.4%	0.3%	0.5%	0.5%

Table A.16 Number and Percentage of Customer Complaints by Category

	2005/06	2006/07	2007/08	2008/09
Billing complaints	3,136	2,507	3,576	3,425
Billing complaints as % of total complaints	78.6%	73.7%	70.9%	64.9%
Marketing complaints	362	117	114	187
Marketing complaints as % of total complaints	9.1%	3.4%	2.3%	3.5%
Other' complaints	492	776	1,351	1,663
Other complaints as % of total complaints	12.3%	22.8%	26.8%	31.5%
Total Number Of Complaints	3,990	3,400	5,041	5,275

B Notes and Definitions

B.1 Customers

'Customer' means the person in whose name a gas account is held under one supply contract.

'Small retail customer' means a customer whose gas consumption in NSW is no more than 1,000 gigajoules per year.

'Residential small retail customer' means a small retail customer who uses their premises primarily for residential purposes.

'Non-residential small retail customer' means a small retail customer who uses their premises primarily for non-residential purposes.

The customer statistics collected here will be used in conjunction with the other statistics in this schedule to derive operating measures (e.g. percentages or numbers per 1,000). The customer numbers themselves will not be published without the licence holder's permission.

B.2 Telephone service for account inquiries

Only retailers who supplied small retail customers during the period are asked to report on their telephone service for account inquiries.

The resulting measures that may be used in IPART's compliance report are:

- ▼ Percentage of calls answered within 30 seconds.
- ▼ Percentage of calls that dropped out or were abandoned by the caller.

These measures are based upon a guaranteed customer service standard established under clause 49 and Schedule 1, Part 2 & 3, clause 14(2) of the *Gas Supply (Natural Gas Retail Competition) Regulation 2001*. A supply contract between a retail supplier and a small retail customer must require a supplier to provide a telephone service that operates during business hours on which a person can be connected for not less than the price of a local telephone call and that can receive notice of, and give information concerning, customer's bills and customer connection services arranged by the supplier. An automated answering service satisfies this requirement only if it makes provision for the transfer of calls to a human operator.

B.3 Supply discontinuance

Only retailers who supplied small retail customers during the period are asked to report on supply discontinuances. Each instance that supply is discontinued for failing to pay an amount due to the licence holder must be reported, including discontinuing supply to vacant premises. For example, if a customer's supply has been discontinued twice in the reporting year; two supply discontinuances must be reported.

'Payment plan' is an arrangement between a retailer and a customer for the customer to pay arrears and continued usage on their account according to an agreed payment schedule and capacity to pay. It does not include customer using a payment plan as a matter of convenience or for flexible budgeting purposes. Payment plans involve at least three instalments. The plans enable customers to make payments in instalments by arrears, taking into account their capacity to pay. The key point about payment plans is that they enable a customer to continue to receive supply and avoid disconnection.

In relation to the statistic 'how many were on a payment plan prior to having supply discontinued', all small retail customers who were on a payment plan during the 12 months prior to disconnection should be included.

The resulting measures that may be used in IPART's compliance report are:

- ▼ Proportion of residential small retail customers whose supply was discontinued during the year for failing to pay an amount due.
- ▼ Proportion of non-residential small retail customers whose supply was discontinued during the year for failing to pay an amount due.
- ▼ Number and proportion of small retail customers whose supply was discontinued during the year at a prohibited time or on a prohibited day for failing to pay an amount due.

B.4 Supply Recontinuance

Only retailers who supplied small retail customers during the period are asked to report on supply recontinuances.

The resulting measures that may be used in the IPART's compliance report are:

- ▼ Proportion of residential small retail customers whose supply was recontinued in the same name after being discontinued during the year for failing to pay an amount due.
- ▼ Proportion of non-residential small retail customers whose supply was recontinued in the same name after being discontinued for failing to pay an amount due.

B.5 Complaints

Only retailers who supplied small retail customers during the period are asked to report on customer complaints.

'Complaint' means a written or verbal expression of dissatisfaction about an action, a proposed action, or a failure to act by a licence holder, its employees, agents or contractors. This includes failure by a licence holder to observe its published or agreed practices or procedures. It does not include a complaint made about the licence holder to any other body.

The complaint sub-categories (ie, 'billing', 'marketing' and 'other matters') are to be reported using the Energy and Water Ombudsman NSW (EWON)'s methodology for allocating issues into categories.

Marketing has been added as a complaint sub-category from 2004/05. This data is collected to assist in monitoring the competitive retail market.

The following measures may be published by IPART:

- ▼ Proportion of residential small retail customers that complained about retail supply matters.
- ▼ Proportion of non-residential small retail customers that complained about retail supply matters.
- ▼ Percentage of complaints from residential small retail customers that were related to billing, marketing and other matters.
- ▼ Percentage of complaints from non-residential small retail customers that were related to billing, marketing and other matters.

IPART will seek information from EWON on the number of small retail customers who took their complaint about a retailer's service to EWON.

B.6 Security deposits

Only retailers who supplied small retail customers during the period are asked to report on security deposits.

The resulting measures that may be used in IPART's compliance report are:

- ▼ Percentage of residential small retail customers that lodged security deposits.
- ▼ Percentage of non-residential small retail customers that lodged security deposits.
- ▼ Average dollar value of security deposits held from residential small retail customers.
- ▼ Average dollar value of security deposits held from non-residential small retail customers.

- ▼ Number and percentage of security deposits held from residential and non-residential small retail customers that have been held for longer than 12 months and 24 months respectively.

B.7 Payment methods

Only retailers who supplied small retail customers during the period are asked to report on payment methods.

Direct debits from a customer's bank account are to include direct debits from any financial institution, including a customer's credit card.

The resulting measures that may be used in IPART's compliance report are:

- ▼ Percentage of residential small retail customers using direct debit arrangements to pay their bills.
- ▼ Percentage of residential small retail customers paying off billing arrears under an instalment payment plan.
- ▼ Percentage of residential small retail customers using Centrelink's Centrepay bill payment facility.