

NSW electricity information paper no 1/2008

Electricity retail businesses' performance against customer service indicators

For the period 1 July 2002 to 30 June 2007

A series of information papers on the performance of NSW electricity businesses

Introduction

This information paper focuses on the level of customer service provided by electricity 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 electricity distribution and retail businesses. When equivalent data is released by electricity retailers in South Australia and Victoria, IPART intends to publish an updated version of this paper with further analysis and interstate comparisons.

The NSW electricity market is becoming increasingly competitive. At of 30 June 2007, 24 companies held electricity retail supplier licenses in the state, 14 of which supplied electricity to small retail customers in 2006/07. Under the current regulatory regime, all electricity retailers licensed to operate in NSW are required to report annually on a series of customer service indicators that provides some indication of the affordability and accessibility of electricity services, and of customers' satisfaction with the quality of service they receive. IPART monitors and assesses the retailers' performance against these indicators each year and compares this with their performance in previous years.

The section below provides an overview of IPART's assessment of electricity retailers' performance for the period 1 July 2006 to 30 June 2007 against the indicators related to:

- ▼ disconnections due to non-payment of bills and 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
- ▼ the number of customer complaints.

The subsequent sections discuss their performance against each indicator in more detail.

Overview of electricity retailers' performance

IPART has analysed all NSW electricity retailers' current and historical data in line with its records to identify trends and to compare the retailers' performance.

This analysis indicated that:

- ▼ The number of NSW small retail residential electricity customers who were disconnected due to non-payment of bills was 18,339 in 2006/07. This number is approximately 24 per cent less than in 2005/06, and represents 0.7 per cent of all NSW small retail residential electricity customers.
- ▼ Electricity retailers' call centre performance declined in 2006/07. Across all retailers, the average percentage of calls answered by a human operator within 30 seconds was 65.5 per cent, down from 71.7 per cent in 2005/06. The average percentage of calls that dropped out or were abandoned by the caller before being answered by a human operator was 6.0 per cent compared to 3.9 per cent in 2005/06.
- ▼ The number of customer complaints about retail supply matters decreased by 10 per cent in 2006/07. This represents 0.5 per cent all NSW small retail customers, which is low.

When looking at the data presented in sections below, it is important to note that:

- *The bulk of small retail electricity customers in NSW are supplied by the three standard retail suppliers, which supply approximately 86 per cent of the total NSW customer base.¹ Most of the data and analysis in this information paper relate to these retailers. However, where significant data on other retailers was available it has been included.²*
- *Country Energy and Australian Inland merged on 1 July 2005. Their statistics for previous years have been combined for comparative purposes.*
- *AGL Electricity transferred its retail customers to AGL Sales on 15 March 2006. AGL's statistics for previous years have been combined for comparative purposes.*

¹ The standard retail suppliers are EnergyAustralia, Integral Energy and Country Energy.

² Please note that data from retailers other than standard suppliers began to be supplied from 1 January 2002 (the commencement of full retail competition in NSW).

Disconnections due to non-payment of bills

Disconnection of essential services is expensive for both the consumer and the provider. It creates further hardship for consumers who are already facing financial difficulties. Most electricity retail suppliers have adopted, or are in the process of adopting, hardship policies better to protect and assist vulnerable customers who are having difficulties paying their bills.

In response to a significant increase in the disconnection rate in 2004/05, the Minister for Energy established a disconnections working group. As a consequence of this group's work, the government amended the *Electricity Supply (General) Regulation 2001*. The new regulations, which came into effect on 1 July 2007, require all electricity retail suppliers to operate a payment plan in respect of customers facing financial difficulties, and to offer this plan to customers before taking any action to discontinue their energy supply.

The combined effect of the recently introduced hardship policies and the recommendations of the working group appear to have led to a reduction in the disconnection rate among small retail residential customers. In 2006/7, this rate was 0.7 per cent, down from 0.9 per cent the previous year (Table 1). This represents a reduction in the absolute number of disconnections from 24,056 to 18,339, a fall of 24 per cent.

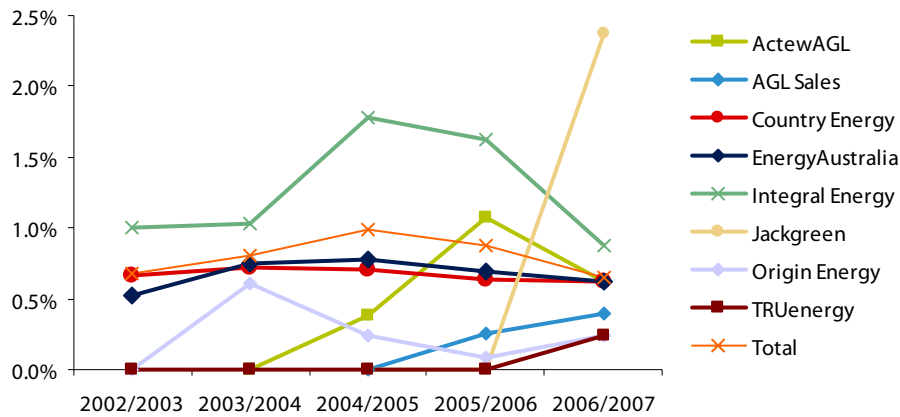
Table 1 Total residential and non-residential disconnections for non-payment of electricity bills in NSW

Type of Customer	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Residential	25,141	18,153	21,394	26,931	24,056	18,339
As a per cent of residential customers	1.0	0.7	0.8	1.0	0.9	0.7
Non-residential	1,406	902	1,122	1,384	1,572	1,398
As a per cent of non-residential customers	0.4	0.3	0.4	0.5	0.5	0.5

The disconnection rate among non-residential customers was 0.5 per cent, as it was in both 2005/06 and 2004/05. IPART considers that this disconnection rate is low.

Figures 1 and 2 show the number of disconnections for non-payment of bills for each retail supplier as a percentage of its total residential and non-residential customers (its disconnection rate).

Figure 1 Residential disconnections for non-payment of bills in NSW, by retailer

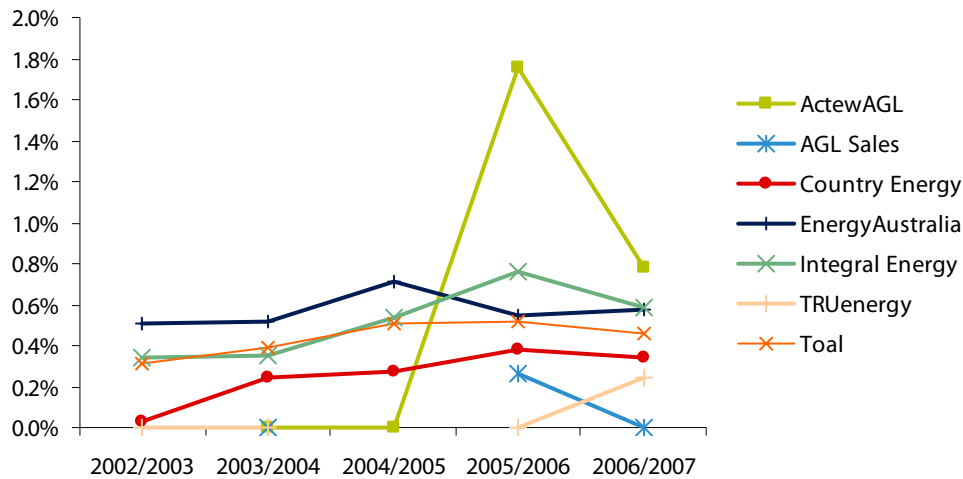


Individual retailers' performance in the area of residential disconnections was mixed. Jackgreen had the highest residential disconnection rate of all NSW retail suppliers (2.4 per cent). However, this retailer advised IPART that it did not disconnect any customers for non-payment in 2005/06, and the large increase reported in 2006/07 was due to it processing the backlog from the previous year. It also advised that it has now implemented a payment plan policy and a hardship policy, which have been approved by the Minister for Energy and offer instalment plans and payment extensions to customers in financial difficulties.

Integral Energy had the next highest residential disconnection rate, but this rate decreased significantly in 2006/07. Integral Energy advised that this decrease was due to the processes it has implemented to quickly identify customers facing financial difficulties. It has also expanded the capacity of its INPower customer assistance program and changed its credit management processes to ensure more flexible payment instalment plans can be offered to customers. In addition, Integral Energy is improving its debt management process to ensure customers have more opportunity to pay, and reviewing its staff education, training, and assessment of minimum debt levels.

ActewAGL's residential disconnection rate also decreased significantly in 2006/07. This retailer advised that its 'Staying Connected' hardship program aims to minimise the number of customers disconnected. This program identifies customers at risk and places them on a payment plan to avoid the build-up of debt and the disconnection of supply.

Figure 2 Non-residential disconnections for non-payment of bills in NSW by retailer

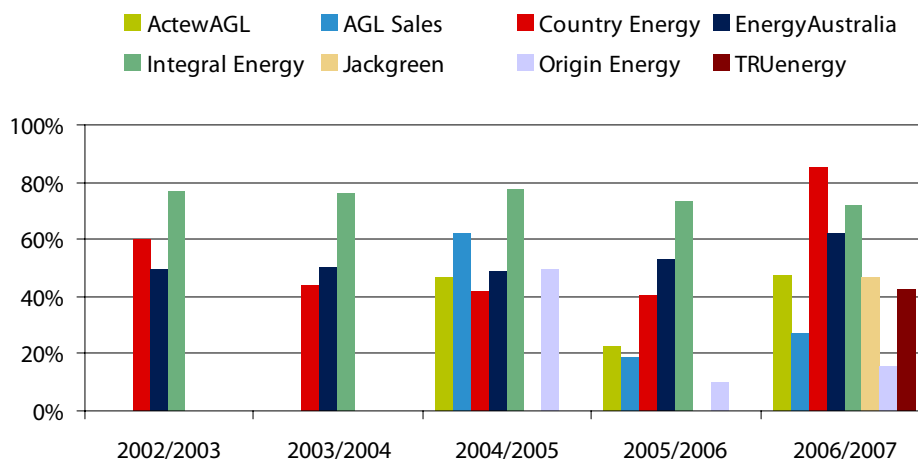


Non-residential disconnection rates are usually much lower than residential rates. ActewAGL had the highest disconnection rate in 2006/07 (0.8 per cent), but this rate was substantially lower than in the previous year. In addition, as noted above, ActewAGL’s actual number of disconnections involved is relatively low, due to its small customer base.

Reconnections in the same name

Figures 3 and 4 show the percentage of residential and non-residential small retail customers disconnected for non-payment of bills in NSW whose supply was subsequently reconnected in the same name.

Figure 3 Percentage of NSW residential customers disconnected for non-payment of bills whose supply was reconnected in the same name, by retailer³

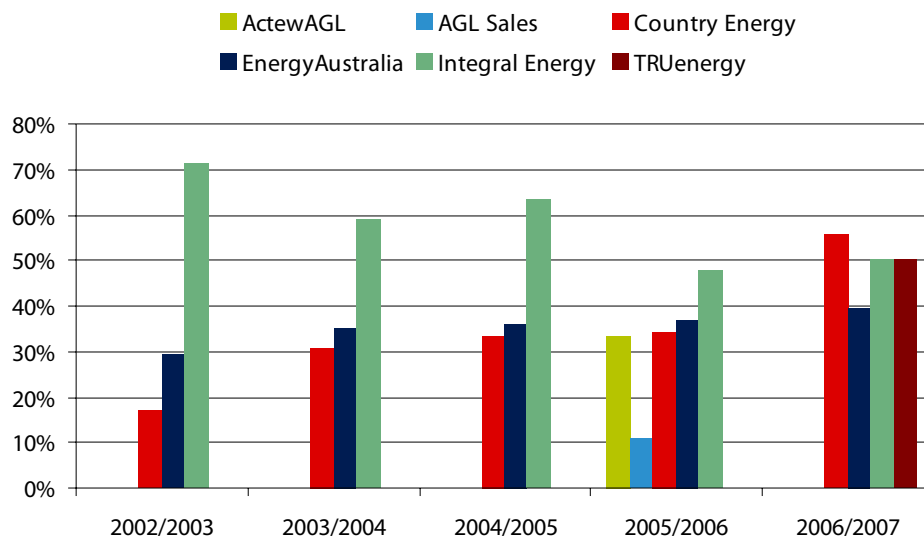


IPART considers that this affordability indicator should be amended to make it consistent with data collected in Victoria and South Australia, where the ‘reconnected in the same name’ indicator is limited to reconnections that occur within seven days of disconnection. IPART considers that such an amendment would make the indicator

³ Energy One had a small number of residential reconnections that do not appear on the above graph.

more useful, and would allow the performance of NSW retailers to be compared with that of retailers in other jurisdictions. IPART intends to raise this matter with the government.⁴

Figure 4 Percentage of non-residential customers disconnected for non-payment of bills whose supply was reconnected in the same name, by retailer⁵



The overall number of residential customers disconnected and then reconnected in the same name decreased by 13.8 per cent in 2006/07 as compared to 2005/06.

Use of alternative payment methods

To varying degrees, all retailers in NSW offer assistance to customers who are having difficulty paying their electricity 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.

During 2006/07, most electricity retailers' policy was to offer customers experiencing financial hardship the option of using a payment instalment plan. These plans make it possible for customers to pay their outstanding accounts over time and manage their consumption better. As a result, they can help retailers reduce their disconnection rate. As discussed above, from 1 July 2007, a new regulation has required all retailers to offer payment instalment plans to customers facing financial difficulties before they take any action to discontinue their supply.

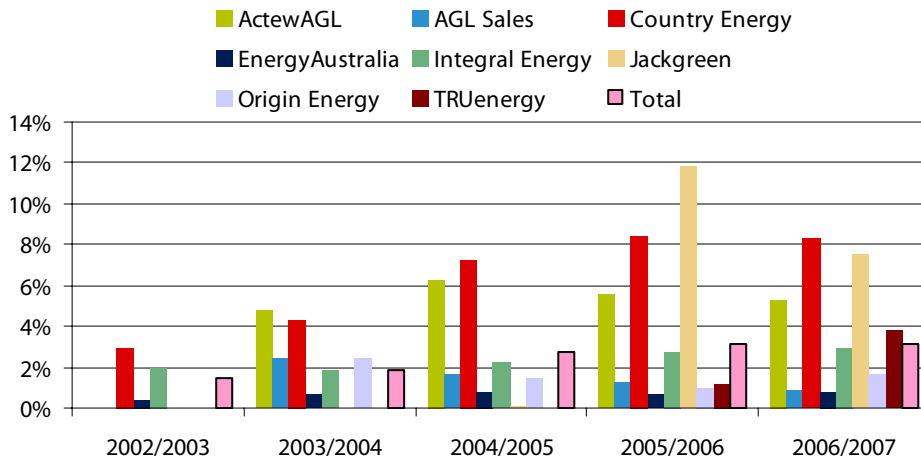
In 2006/07, 87,523 NSW customers were using instalment plans, which was a 0.2 per cent decrease compared to 2005/06. However, there was a 15.5 per cent increase in this number the previous year.

Figure 5 shows the percentage of small retail residential customers paying off outstanding accounts under an instalment payment plan for each retailer.

⁴ Performance indicators are not set by IPART but are established by the Minister for Energy.

⁵ ActewAGL and AGL reported zero values in years apart from 2005/06.

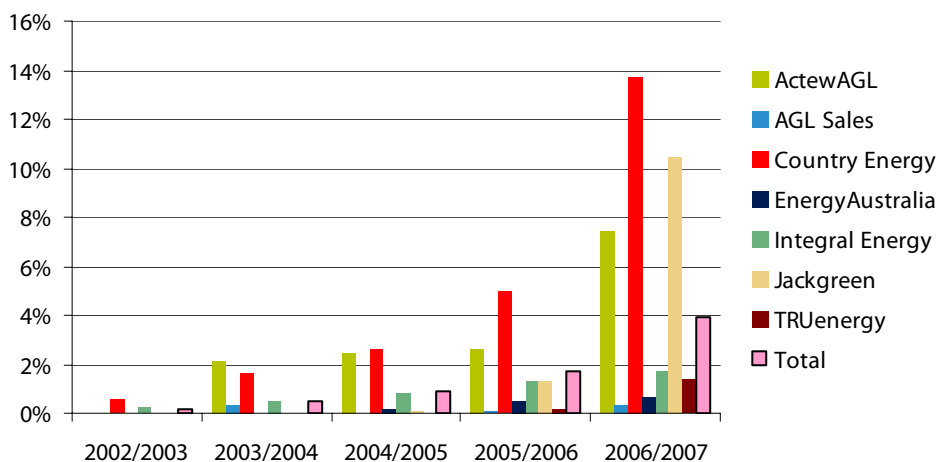
Figure 5 Percentage of NSW residential small retail customers using instalment plans, by retailer



Country Energy had the highest percentage of customers on instalment plans in 2006/07. The retailer noted that it promotes the use of these plans through its support service whenever possible to help customers in financial difficulties continue to receive supply.

Figure 6 shows the percentage of 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 who are having difficulty paying their electricity bills to use Centrepay, retailers are providing customers with an option that can help them manage and budget for their bills and thus avoid disconnection.

Figure 6 Percentage of NSW customers using Centrelink’s Centrepay, by retailer



Country Energy had the highest proportion of customers using Centrepay (13.7 per cent). Country Energy commented that it tries to facilitate the use of Centrepay for eligible customers as often as possible, and believes that its relatively low disconnection rate (0.6 per cent) is a direct result of this practice.

IPART notes that small retail residential electricity customers' use of Centrelink's Centrepay bill payment facility has increased greatly in the last five years. In 2006/07, the number of residential customers using this service increased by 131.7 per cent. IPART sees this as an encouraging indication that customers are becoming more aware of assistance programs retailers provide for those having difficulty paying bills.

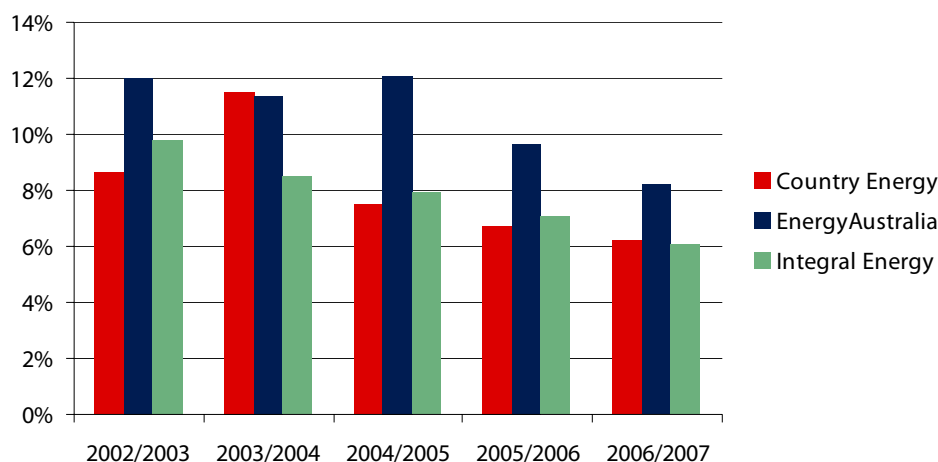
Security deposits held

A small retail customer supplied under a standard form customer supply contract by a standard retailer has certain rights in respect of security deposits under IPART's current retail pricing determination.⁶ A small retail customer who is required to pay a security deposit, and who pays in the form of cash, cheque or credit card, is eligible for that deposit to be refunded when they have completed:

- (a) for residential small retail customers, on-time payment of bills for 12 months from the date of the first bill, or
- (b) for business small retail customer, on-time payment of bills for 24 months from the date of the first bill and the maintenance of a satisfactory credit rating in the reasonable opinion of the standard retail supplier.

Figure 7 shows the percentage of small retail residential customers who had security deposits held by their retailer on 30 June 2007 and compares these percentages to previous years. Figure 8 shows the percentage of security deposits from residential customers held for longer than 12 months.⁷

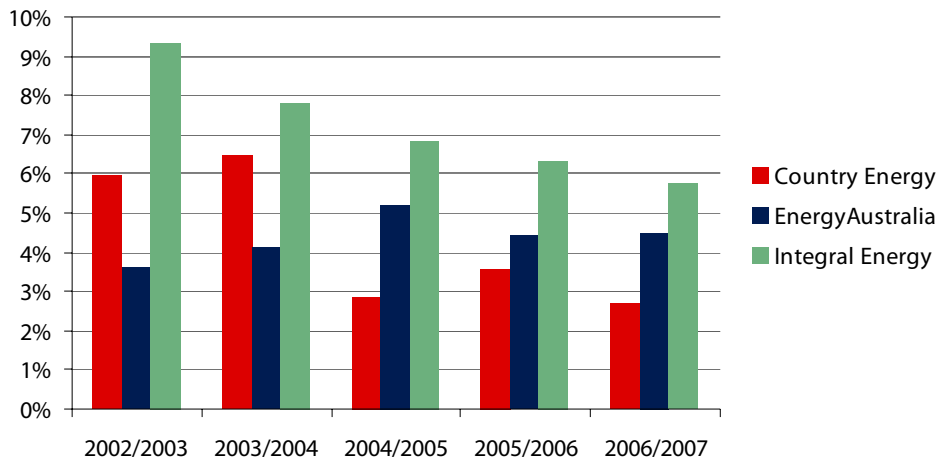
Figure 7 Percentage of NSW residential customers who had security deposits held by their retailer on 30 June



⁶ *Determination no. 1, 2007. NSW electricity regulated retail tariffs and charges 2007 to 2010*, June 2007.

⁷ These indicators do 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.

Figure 8 Percentage of security deposits from residential small retail customers held by retailers for longer than 12 months



The proportion of residential customers who had security deposits held by their standard supplier has continued to decline in 2006/07. The proportion of these customers whose deposits was held longer than 12 months declined for Integral Energy and Country Energy, but increased slightly for EnergyAustralia.

Figure 9 shows the percentage of small retail non-residential customers who had security deposits held by their retailer on 30 June 2007 and compares these percentages to previous years. Figure 10 shows the percentage of security deposits from non-residential customers held longer than 24 months.

Figure 9 Percentage of non-residential small retail customers who had security deposits held by their retailer on 30 June

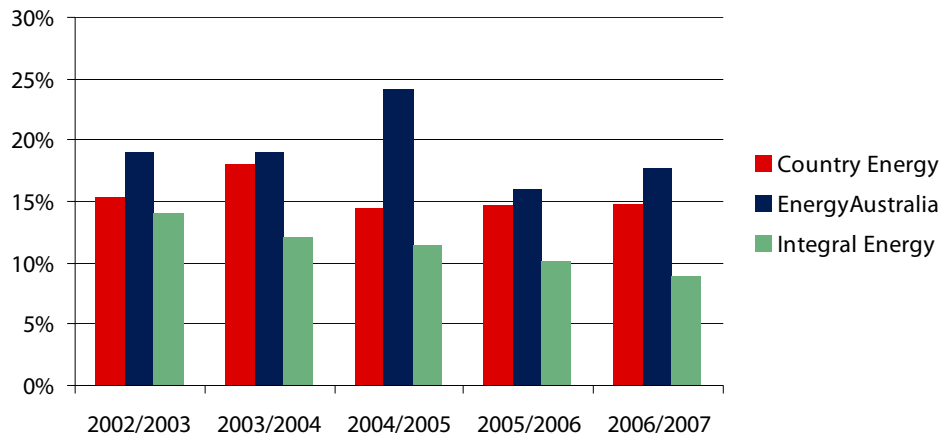
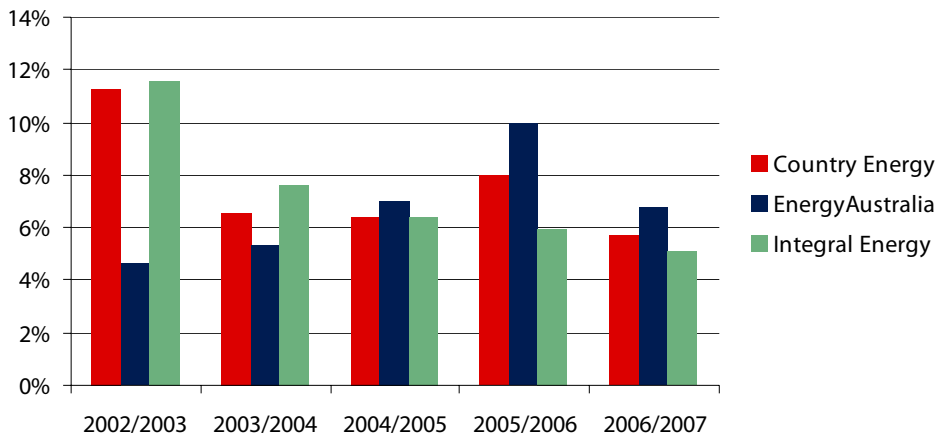


Figure 10 Percentage of security deposits from non-residential small retail customers held by retailers for longer than 24 months



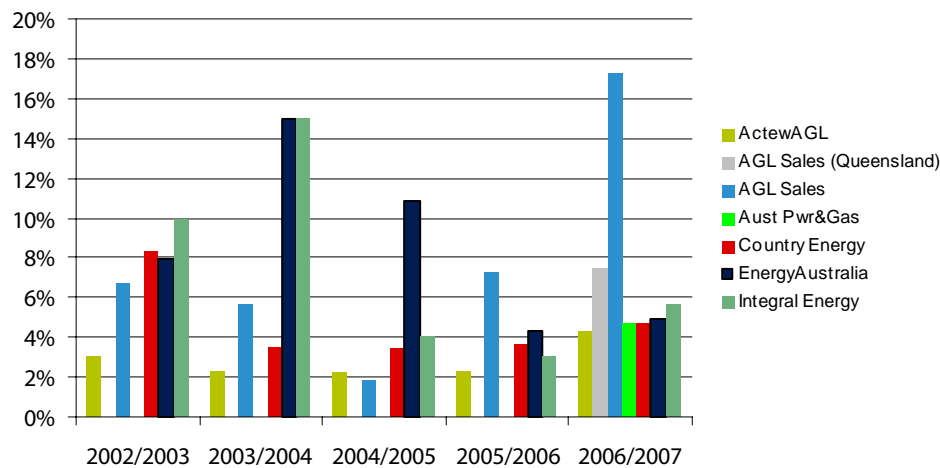
The proportion of non-residential customers who had security deposits held by their retailer increased for Country Energy and EnergyAustralia but fell for Integral Energy. The proportion of these customers whose deposits were held longer than 24 months decreased for all three retailers.

Call centre responsiveness

All electricity 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 call.⁸ This telephone service must be able to receive notice of, and give information about, customers' bills and customer connections arranged by the supplier.

Figures 11 to 14⁹ show the percentage of calls to retailers' telephone services that were abandoned or dropped out before being answered by a human operator, and the percentage that were answered by a human operator within 30 seconds. This data includes calls to complaint and enquiry lines, including lines that are initially answered by an automated interactive voice response system that makes provision for the caller to be transferred to a human operator. Where this is the case, the data includes calls answered within 30 seconds of the caller selecting the option to be transferred to a human operator.

Figure 11 Percentage of calls that were abandoned or dropped out before being answered by a human operator



⁸ Established under clause 40 and Schedule 2, part 2, clause 10(2) of the *Electricity Supply (General) Regulation 2001*, (Appendix 2).

⁹ In figures 11 to 14 the retailers have been split into two groups for ease of presentation.

Figure 12 Percentage of calls that were abandoned or dropped out before being answered by a human operator

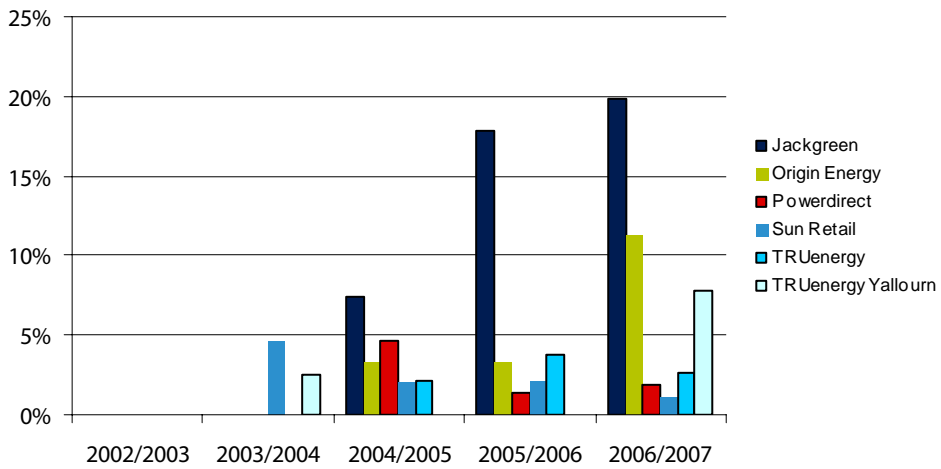


Figure 13 Percentage of calls answered by a human operator within 30 seconds

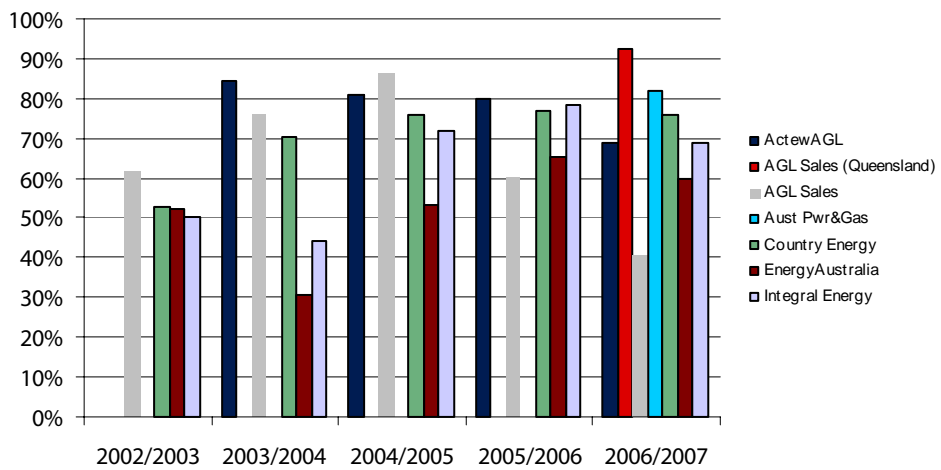
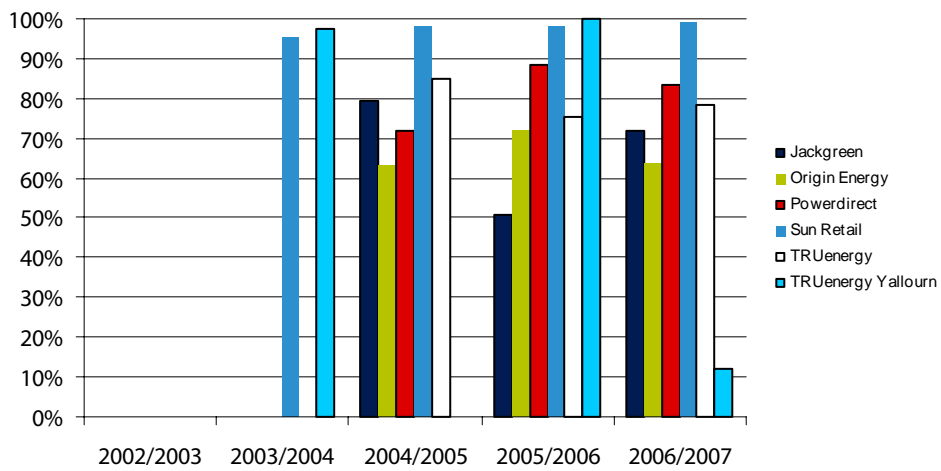


Figure 14 Percentage of calls answered by a human operator within 30 seconds



Overall, call centre performance deteriorated in 2006/07 compared with the previous year. In 2006/07, 6.0 per cent of calls were abandoned or dropped out before being answered by an operator compared with 3.9 per cent in 2005/06. In addition, only 65.5 per cent of calls were answered by a human operator within 30 seconds compared with 71.7 per cent in 2005/06.

Jackgreen's call centre performance continued to be a concern: 19.9 per cent of calls to its telephone service were abandoned or dropped out before being answered by an operator, and only 71.6 per cent were answered by a human operator within 30 seconds. However, the retailer has advised that in July 2007 it changed telephone carriers and implemented a new telephony system to enhance its performance. Jackgreen also advised that in the first quarter of 2007/08, over 80 per cent calls were answered within 30 seconds, and this rate climbed to 87 per cent in September 2007.

AGL Sales' performance deteriorated significantly. In 2006/07, 17.3 per cent of calls to its telephone service were abandoned or dropped out before being answered by an operator (up from 7.3 per cent in 2005/06) and only 40.9 per cent of calls were answered within 30 seconds (down from 60.1 per cent). AGL commented that this deterioration was due to implementation difficulties with a new telephony system, staffing problems and a higher overall call volume. It also advised that it has now recruited additional staff and formed a partnership with an outsourcing agency to manage peaks in call volumes.

Origin Energy's percentage of calls abandoned or dropped out was 11.4 per cent in 2006/07, up from 3.3 per cent in 2005/06. Origin Energy attributed this to a substantial increase in the number of calls it received, compounded by the limited seating capacity for additional staff in its call centre and further automation of its interactive voice response system leading to an increase in enquires.

Customer complaints

Table 3 shows the total number of customer complaints about electricity 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, but does not include complaints made about the retailer to any other body (such as the Energy and Water Ombudsman of NSW (EWON)).

Table 3 Number of small retail customer complaints about retail supply matters in NSW

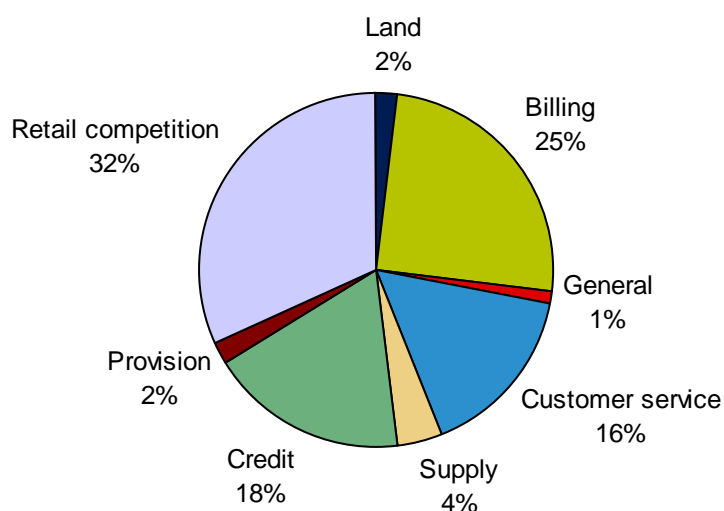
	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Number of complaints related to marketing	NA	NA	NA	1,255	3,816	3,225
Number of complaints related to billing	3,894	8,137	6,576	3,334	4,994	3,273
Number of complaints related to other matters	4,600	5,748	5,203	7,449	7,349	8,003
Total number of complaints	8,494	13,885	11,779	12,038	16,159	14,501
Total complaints as a percentage of customers	0.3%	0.5%	0.4%	0.4%	0.5%	0.5%

The number of customer complaints about retail supply matters decreased in 2006/07. When expressed as a percentage of all NSW small retail customers, this number is 0.5 per cent, which is the same percentage as in 2005/06.

The proportion of complaints that were related to billing fell from 30.9 per cent to 22.6 per cent in 2006/07. The proportion of complaints related to marketing also fell slightly, from 23.6 per cent to 22.2 per cent. However, this proportion is still significantly higher than in 2004/05, when only 10.4 per cent of total complaints were related to marketing. In addition, for some individual retailers – particularly some of the smaller companies – the proportion of marketing related complaints was much higher than the average of 22.2 per cent.

IPART compared the retailers' reported complaints data to the complaints statistics published in EWON's annual report (Figure 15).¹⁰ Please note that EWON categorises customer complaints in a different way to the data reported by the electricity retailers to IPART. Also, the complaints made to EWON represent only a small subset of the complaints made to the retailers themselves.

Figure 15 Types of electricity complaints reported to EWON 2006/07¹¹



¹⁰ Annual report 06/07. Energy & Water Ombudsman NSW; p 18.

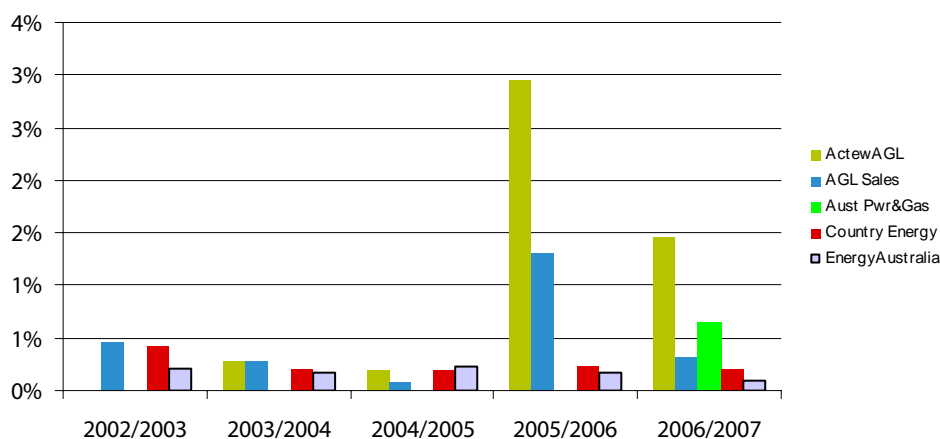
¹¹ Annual report 06/07. Energy & Water Ombudsman NSW; p 13.

IPART notes that EWON continues to receive complaints about pressure marketing (especially to vulnerable customers) and lack of explicit informed consent when establishing energy contracts. While it acknowledges that electricity retailers generally have policies in place to prevent marketing to vulnerable customers, IPART also notes that EWON's case studies indicate that vulnerable customers continue to be inappropriately targeted by some marketers.

From a compliance perspective, marketing is a high-risk activity. This means it is important that electricity retailers establish effective compliance, verification systems and procedures to reduce the incidence of marketing breaches and complaints. IPART intends to work with EWON and the industry to enhance compliance in the energy retail marketing area and reduce the incidence of inappropriate targeting of vulnerable customers.

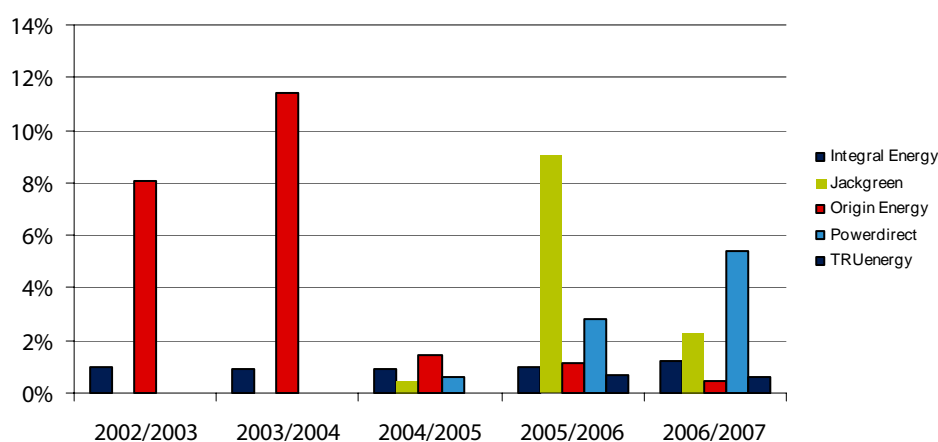
Figure 16 and 17¹² shows customer complaints received by individual retailers as a percentage of their total number of small retail customers.

Figure 16 Customer complaints as a percentage of the retailer's total small retail customers



¹² In figures 16 and 17 the retailers have been split into two groups for ease of presentation.

Figure 17 Customer complaints as a percentage of the retailer's total small retail customers¹³



In 2006/07, 5.4 per cent of Powerdirect customers complained. However, most of Powerdirect's customers are in the commercial sector, and most of the complaints, from its small number of residential customers, related to monthly bills that are required to be estimated until an actual meter read occurs after three months. The retailer has now introduced billing on actual consumption in NSW which should assist in reducing the number of complaints.

The proportion of Jackgreen customers who complained fell from 9.0 per cent to 2.3 per cent. This is a large improvement, but the proportion of complaints received by Jackgreen still remains the second highest of all the retailers. Jackgreen commented that problems with its customer billing system led to a number of complaints. However, it has now automated the input of meter readings into its billing system and expects that this will lead to a further reduction its number of customer complaints.

In 2005/06, AGL Electricity and ActewAGL both reported that their customer complaints had increased in line with increased electricity marketing activity. IPART notes that a substantial reduction in the complaint rate for both these retailers was reported in 2006/07.

¹³ It should be noted that prior to 2005/06, Origin Energy had a very small customer base so while the percentage of its customers who complained appears high, the actual number of complaints involved was low.

APPENDIX 1 RETAILER CUSTOMER SERVICE PERFORMANCE DATA, 2002/2003 TO 2005/2006

Percentage residential small retail customers disconnected for non-payment of bills

	2002/03	2003/04	2004/05	2005/06	2006/2007
ActewAGL	0.0%	0.0%	0.4%	1.1%	0.6%
AGL Sales	0.0%	0.0%	0.0%	0.3%	0.4%
Country Energy	0.7%	0.7%	0.7%	0.6%	0.6%
EnergyAustralia	0.5%	0.7%	0.8%	0.7%	0.6%
Integral Energy	1.0%	1.0%	1.8%	1.6%	0.9%
Jackgreen	NA	NA	0.0%	0.0%	2.4%
Origin Energy	0.0%	0.6%	0.2%	0.1%	0.2%
TRUenergy	0.0%	0.0%	0.0%	0.0%	0.2%
Grand Total	0.7%	0.8%	1.0%	0.9%	0.7%

Percentage non-residential small retail customers disconnected for non-payment of bills

	2002/03	2003/04	2004/05	2005/06	2006/07
ActewAGL	0.0%	0.0%	0.0%	1.8%	0.8%
AGL Sales	0.0%	0.0%	0.0%	0.3%	0.0%
Country Energy	0.0%	0.2%	0.3%	0.4%	0.3%
EnergyAustralia	0.5%	0.5%	0.7%	0.5%	0.6%
Integral Energy	0.3%	0.4%	0.5%	0.8%	0.6%
TRUenergy	0.0%	0.0%	0.0%	0.0%	0.2%
Grand Total	0.3%	0.4%	0.5%	0.5%	0.5%

Percentage residential small retail customers disconnected whose supply was reconnected in the same name

	2002/03	2003/04	2004/05	2005/06	2006/07
ActewAGL	0.0%	0.0%	46.9%	22.5%	47.4%
AGL Sales	0.0%	0.0%	62.5%	19.2%	27.2%
Country Energy	60.5%	44.2%	42.3%	40.6%	85.6%
EnergyAustralia	49.7%	50.4%	48.7%	52.8%	62.2%
Integral Energy	77.3%	76.3%	77.9%	73.2%	72.2%
Jackgreen	NA	NA	0.0%	0.0%	47.0%
Origin Energy	0.0%	0.0%	50.0%	9.7%	15.1%
TRUenergy	0.0%	0.0%	0.0%	0.0%	42.9%
Grand Total	63.4%	58.4%	61.8%	59.6%	67.4%

Percentage non-residential small retail customers disconnected whose supply was reconnected in the same name

	2002/03	2003/04	2004/05	2005/06	2006/07
ActewAGL	0.0%	0.0%	0.0%	33.3%	0.0%
AGL Sales	0.0%	0.0%	0.0%	11.1%	0.0%
Country Energy	17.2%	30.9%	33.2%	34.2%	55.6%
EnergyAustralia	29.6%	35.0%	36.0%	37.0%	39.5%
Integral Energy	71.1%	58.7%	63.2%	48.0%	50.1%
TRUenergy	0.0%	0.0%	0.0%	0.0%	50.0%
Grand Total	39.7%	39.7%	43.4%	39.1%	45.9%

Percentage of residential small retail customers using instalment plans as at 30 June

	2002/03	2003/2004	2004/2005	2005/2006	2006/07
ActewAGL	5.6%	4.8%	6.3%	5.6%	5.3%
AGL Sales	0.0%	2.4%	1.7%	1.3%	0.9%
Country Energy	2.9%	4.3%	7.3%	8.4%	8.3%
EnergyAustralia	0.4%	0.7%	0.8%	0.7%	0.8%
Integral Energy	2.0%	1.8%	2.3%	2.8%	2.9%
Jackgreen	NA	NA	0.1%	11.8%	7.5%
Origin Energy	0.0%	2.5%	1.5%	1.0%	1.7%
TRUenergy	0.0%	0.0%	0.0%	1.2%	3.8%
Grand Total	1.4%	1.9%	2.8%	3.2%	3.1%

Percentage of residential small retail customers using Centrepay as at 30 June

	2002/03	2003/04	2004/05	2005/06	2006/07
ActewAGL	0.6%	2.1%	2.5%	2.6%	7.5%
AGL Sales	0.0%	0.3%	0.0%	0.1%	0.4%
Country Energy	0.5%	1.6%	2.6%	5.0%	13.7%
EnergyAustralia	0.0%	0.0%	0.1%	0.5%	0.7%
Integral Energy	0.2%	0.5%	0.8%	1.3%	1.7%
Jackgreen	NA	NA	0.1%	1.3%	10.4%
TRUenergy	0.0%	0.0%	0.0%	0.2%	1.4%
Grand Total	0.2%	0.5%	0.9%	1.7%	3.9%

Percentage of residential small retail customer security deposits held as at 30 June

	2002/03	2003/04	2004/05	2005/06	2006/07
Country Energy	8.6%	11.5%	7.5%	6.7%	6.2%
EnergyAustralia	12.0%	11.4%	12.1%	9.6%	8.2%
Integral Energy	9.8%	8.5%	7.9%	7.1%	6.1%
Grand Total	10.4%	10.3%	9.2%	7.4%	6.1%

Percentage of residential small retail customer security deposits held for longer than 12 months

	2002/03	2003/04	2004/05	2005/06	2006/07
Country Energy	5.9%	6.5%	2.8%	3.5%	2.7%
EnergyAustralia	3.6%	4.1%	5.2%	4.4%	4.5%
Integral Energy	9.3%	7.8%	6.8%	6.4%	5.8%
Grand Total	5.7%	5.6%	4.8%	4.3%	3.7%

Percentage of non-residential small retail customer security deposits held as at June 30

	2002/03	2003/04	2004/05	2005/06	2006/07
Country Energy	15.3%	18.0%	14.6%	14.7%	14.8%
EnergyAustralia	19.0%	19.1%	24.1%	16.0%	17.8%
Integral Energy	14.1%	12.0%	11.4%	10.1%	9.0%
Grand Total	16.4%	16.5%	16.9%	13.0%	13.2%

Percentage of non-residential small retail customer security deposits held for longer than 24 months

	2002/03	2003/04	2004/05	2005/06	2006/07
Country Energy	11.3%	6.6%	6.4%	8.0%	5.7%
EnergyAustralia	4.6%	5.3%	7.0%	9.9%	6.8%
Integral Energy	11.6%	7.6%	6.4%	5.9%	5.1%
Grand Total	8.2%	6.1%	6.4%	7.7%	8.7%

Percentage of calls abandoned or dropped out

	2002/03	2003/04	2004/05	2005/06	2006/07
ActewAGL	3.0%	2.3%	2.2%	2.4%	4.3%
AGL Sales (Queensland)	0.0%	0.0%	0.0%	0.0%	7.4%
AGL Sales	6.7%	5.6%	1.8%	7.3%	17.3%
Australian Power & Gas	NA	NA	NA	NA	4.7%
Country Energy	8.3%	3.6%	3.4%	3.6%	4.7%
EnergyAustralia	7.9%	14.9%	10.8%	4.3%	4.9%
Integral Energy	10.0%	15.0%	4.0%	3.0%	5.6%
Jackgreen	NA	NA	7.5%	17.8%	19.9%
Origin Energy	0.0%	0.0%	3.3%	3.3%	11.4%
Powerdirect	NA	NA	4.7%	1.4%	1.9%
Sun Retail	0.0%	4.6%	2.1%	2.1%	1.2%
TRUenergy	0.0%	0.0%	2.2%	3.8%	2.6%
TRUenergy Yallourn	0.0%	2.5%	0.0%	0.0%	7.8%
Grand Total	8.3%	11.1%	6.7%	3.9%	6.0%

Percentage of calls answered by a human operator within 30 seconds

	2002/03	2003/04	2004/05	2005/06	2006/07
ActewAGL	85.0%	84.6%	81.0%	80.0%	69.0%
AGL Sales (Queensland)	0.0%	0.0%	0.0%	0.0%	92.6%
AGL Sales	62.0%	76.0%	86.2%	60.1%	40.9%
Australian Power & Gas	NA	NA	NA	NA	82.0%
Country Energy	53.0%	70.5%	76.0%	77.1%	75.7%
EnergyAustralia	52.3%	30.6%	53.3%	65.4%	60.0%
Integral Energy	50.0%	44.0%	72.0%	78.2%	69.0%
Jackgreen	NA	NA	79.6%	51.0%	71.6%
Origin Energy	0.0%	0.0%	63.5%	72.1%	63.6%
Powerdirect	NA	NA	71.9%	88.2%	83.6%
Sun Retail	0.0%	95.4%	97.9%	97.9%	98.8%
TRUenergy	0.0%	0.0%	85.0%	75.4%	78.2%
TRUenergy Yallourn	0.0%	97.5%	0.0%	100.0%	11.9%
Grand Total	53.8%	48.2%	65.7%	71.7%	65.5%

Total percentage of complaints from small retail customers about retail supply matters

	2002/03	2003/04	2004/05	2005/06	2006/07
ActewAGL	0.9%	0.3%	0.2%	3.0%	1.5%
AGL Sales	0.5%	0.3%	0.1%	1.3%	0.3%
Australian Power & Gas	NA	NA	NA	NA	0.6%
Country Energy	0.4%	0.2%	0.2%	0.2%	0.2%
EnergyAustralia	0.2%	0.2%	0.2%	0.2%	0.1%
Integral Energy	1.0%	0.9%	0.9%	1.0%	1.2%
Jackgreen	NA	NA	0.5%	9.0%	2.3%
Origin Energy	8.0%	11.4%	1.5%	1.1%	0.5%
Powerdirect	NA	NA	0.6%	2.8%	5.4%
TRUenergy	0.0%	0.0%	0.0%	0.7%	0.6%
Grand Total	0.5%	0.4%	0.4%	0.5%	0.5%

Percentage of customer complaints by type

	2002/03	2003/04	2004/05	2005/06	2006/07
Billing complaints	58.6%	55.8%	27.7%	30.9%	22.6%
Marketing complaints	NA	NA	10.4%	23.6%	22.2%
Other' complaints	41.4%	44.2%	61.9%	45.5%	55.2%
Grand total	100.0%	100.0%	100.0%	100.0%	100.0%

Electricity Retail – Total Numbers (All Performance Indicators)

	2002/03	2003/04	2004/05	2005/06	2006/07
Number of customers as at 30 June.	2,988,803	2,988,740	3,037,337	3,075,976	3,117,039
Number of residential small retail customers.	2,682,685	2,677,780	2,735,290	2,756,908	2,793,400
Number of non residential small retail customers.	284,807	289,527	274,279	302,764	305,479
Total small retail customers.	2,967,447	2,967,307	3,009,569	3,059,670	3,098,879
Number of calls made to telephone service.	3,923,380	4,330,378	4,669,565	4,820,083	4,769,563
Number of calls abandoned or dropped out.	326,842	482,506	311,517	189,505	286,436
Number of calls answered within 30 seconds.	2,109,802	2,088,521	3,068,579	3,455,282	3,122,610
Number of residential small retail disconnections.	18,153	21,394	26,931	24,056	18,339
Number of non residential small retail disconnections.	902	1,122	1,384	1,572	1,398
Number residential small retail customers disconnected then reconnected.	11,513	12,495	16,635	14,330	12,354
Number non residential small retail customers disconnected then reconnected.	358	445	601	615	641
Total number of complaints from small retail customers about retail supply matters.	13,885	11,779	12,038	16,159	14,501
Number of complaints about billing.	8,137	6,576	3,334	4,994	3,273
Number of complaints about marketing	NA	NA	1,255	3,816	3,225
Number of complaints about other matters.	5,748	5,203	7,449	7,349	8,003
Number of direct marketing contacts to small retail customers	NA	NA	4,596,626	8,238,885	6,955,417
Number of customers transferred to licence holder	NA	NA	143,371	208,591	310,245
Number of residential small retail security deposits as at 30 June.	279,492	275,978	250,833	203,595	170,582
Number of residential security deposits held for longer than 12 months.	152,363	149,293	130,620	118,477	104,492
Number of non residential small retail security deposits as at 30 June.	46,758	47,838	46,394	39,504	40,351
Number of non residential security deposits held for longer than 24 months.	23,322	17,664	17,518	23,274	16,476
Number of residential small retail customers using direct debit as at 30 June.	180,455	160,266	173,736	336,352	357,439
Number of residential small retail customers using instalment plans as at 30 June.	38,416	50,044	75,955	87,698	87,523
Number of residential small retail customers using Centrepay as at 30 June.	5,050	13,632	24,917	47,131	109,223

APPENDIX 2 NOTES AND DEFINITIONS

1. Customers

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

'Small retail customer' means a customer whose electricity consumption in NSW is no more than 160 megawatt hours per annum.

'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 are used in conjunction with the other statistics in this schedule to derive operating measures (eg, percentages). The customer numbers are not published without the Licence Holder's permission.

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. Retailers who did **not** supply small retail customers have 'N/A' (not applicable) in the column.

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 40 and Schedule 2, Part 2, clause 10(2) of the *Electricity Supply (General) 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, customers' 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.

3. Supply discontinuance

Only retailers who supplied small retail customers during the period are asked to report on supply discontinuances. Retailers who did **not** supply small retail customers enter 'N/A' (not applicable) in the column. 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.

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.

4. Supply recontinuance

Only retailers who supplied small retail customers during the period are asked to report on supply recontinuances. Retailers who did **not** supply small retail customers should enter 'N/A' (not applicable) in the column.

The resulting measures that may be used in 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.

5. Complaints

Only retailers who supplied small retail customers during the period are asked to report on customer complaints. Retailers who did **not** supply small retail customers have 'N/A' (not applicable) in the column.

'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'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 are:

- ▼ 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.

6. Security deposits

Only retailers who supplied small retail customers during the period are asked to report on security deposits. Retailers who did **not** supply small retail customers have 'N/A' (not applicable) in the column.

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.

7. Payment methods

Only retailers who supplied small retail customers during the period are asked to report on payment methods. Retailers who did **not** supply small retail customers have 'N/A' (not applicable) in the column.

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

Retailers should note this statistic is likely to be amended from the 2006/07 reporting year to require retailers to report the number of residential small retail direct debit customers who defaulted on direct debit payments. This amendment is consistent with operating statistics reported in other jurisdictions and is a better indicator of financial hardship than the statistic currently reported.

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.