



# 2011/12 Annual Performance Report Energy Retailers

February 2013

**Economic Regulation Authority**

WESTERN AUSTRALIA

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## Overview

This is the fifth<sup>1</sup> annual report published by the Authority that examines the performance of energy retailers that supply small use customers in Western Australia.<sup>2</sup>

The purpose of this report is to bring transparency and accountability to the performance of energy retail<sup>3</sup> businesses (electricity and gas) that supply small use customers and to benchmark, where possible, performance against similar businesses in other energy markets.

### Affordability

Compared to 2011, Horizon Power reported significant increases in the percentage of customers who were granted more time to pay a bill, and who were placed on instalment plans; Synergy reported a mixed picture, with modest increases in the percentage of residential and non-residential electricity customers placed on an instalment plan and a slight fall in the number of residential customers granted more time to pay a bill.

During 2012, the percentage of Alinta Energy's residential gas customers placed on an instalment plan was unchanged from the previous year. However, the percentage of residential customers placed on a plan by WorleyParsons was the highest on record.

### Disconnections and Reconnections

#### Electricity

This report shows that total residential disconnections have fallen in 2012 (from 0.90 to 0.87 per 100 customers), and total small business disconnections have also decreased (from 0.51 to 0.47 per 100 customers). The 2010/11 report highlighted the large increase in the total residential electricity disconnection rate (up from 0.38 to 0.90 per 100 customers); it can be seen that the total residential disconnection rate in 2012 remains much higher than it was in 2010.

Compared to 2011, Horizon Power's residential disconnection rate has fallen from 2.19 to 0.96 per 100 customers, while the non-residential disconnection rate has fallen from 0.27 to 0.14 per 100 customers.

Synergy's residential disconnection rate in 2012 (0.86 per 100 customers) was unchanged from 2011, while the non-residential disconnection rate fell slightly (from 0.54 to 0.50 per 100 customers).

The Authority generally views a lower level of reconnections within seven days of disconnection (**reconnection rate**) over time as a positive indicator for the effectiveness of a retailer's financial hardship policies. The customers who are reconnected within

<sup>1</sup> The Authority published a report on the performance of electricity retailers covering the year ending 30 June 2007. Because of indicator definition issues, the performance data for 2006/07 is not included in the main body of the report, but it is available in the relevant tables in Appendix 1.

<sup>2</sup> Customers who consume less than 160MWh of electricity or 1TJ of gas per annum.

<sup>3</sup> Electricity retail licensees, electricity integrated regional licensees who retail to small use customers and gas trading licensees.

seven days of disconnection are a mixture of customers who choose not to pay their bills until they are disconnected and those who are unable to pay because they are in financial distress. Disconnecting customers who choose not to pay their bills is generally a necessary action for retailers to take to protect their business interests. However, among the customers who are in financial distress when they are disconnected are those customers who might have been able to avoid disconnection had they been granted a little more time to make a payment, or been provided with financial hardship assistance by the retailer. Retailers with effective hardship policies are able to identify and assist these customers before they are disconnected, which then reduces the reconnection rate.

In 2012, Horizon Power reconnected 17% (down from 18%) of disconnected residential customers and 8% (up from 5%) of non-residential customers within seven days of disconnection.

In 2012, Synergy reconnected 59% (up from 57% in 2011) of residential and 35% (down from 44% in 2011) of non-residential customers within seven days of disconnection. The Authority is concerned that nearly six out of every 10 disconnected residential customers are reconnected within seven days. The Authority sees this as an indication that there is scope for Synergy to further improve their identification of customers who need to be offered assistance (such as an instalment plan, or to be placed on a financial hardship program), before they are disconnected.

## Gas

During 2012, the number of residential gas disconnections by Alinta Energy<sup>4</sup> declined to 1.52 per 100 customers (down from 1.76 in 2011), and small business disconnections were slightly higher than in 2011 (up from 1.03 to 1.10 per 100 customers). While the recent falls in Alinta Energy's residential disconnections is welcomed by the Authority, the gap between the residential electricity and gas disconnection rates suggest that Alinta Energy needs to do more to keep customers connected.

## Customer Service

The number of complaints received by electricity retailers fell significantly during 2012. This is due to a 50% fall in the number of billing complaints received by Synergy as a result of rectifying some of the major issues arising from the introduction of their new billing system in late 2009. The number of complaints received by gas retailers continues to be considerably less than those received by electricity retailers.

The overall level of telephone service provided by electricity and gas retailers during 2012 remains similar to the previous year, except for Wesfarmers which had service levels deteriorated in the face of an increase in their call volume.

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<sup>4</sup> Alinta Energy is the trading name of Alinta Sales Pty Ltd, which holds the gas trading licence.

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## Purpose of this Report

The Economic Regulation Authority (ERA) is the independent economic regulator for Western Australia.

In its regulatory role, the ERA assesses the terms and conditions, including prices, offered by owners of monopoly infrastructure to third parties in the gas, electricity and rail industries. It also licenses providers of gas, electricity and water services and monitors compliance with licensing conditions and other related regulatory obligations. The ERA also has a range of responsibilities in gas retailing and surveillance of the State's wholesale electricity market.

The ERA's functions are designed to maintain a competitive, efficient and fair commercial environment for the benefit of the Western Australian community.

This is the fifth<sup>5</sup> annual report published by the Authority that examines the performance of energy retailers who supply small use customers in Western Australia.

The purpose of this report is to bring transparency and accountability to the performance of energy retail<sup>6</sup> businesses (electricity and gas) who supply small use customers and to benchmark, where possible, performance against similar businesses in other energy markets.

This report focuses on the performance data provided by energy retailers in relation to:

- **Affordability:** information about the number of customers accessing special billing arrangements such as instalment plans, shortened billing cycles, being granted more time to pay a bill and the level of direct debit plan terminations.
- **Access:** information about the rates of customer disconnection for non-payment and reconnection of these customers, with particular attention being paid to customers on instalment plans, receiving a government funded concession and those who have been previously disconnected within the past 24 months.
- **Customer Service:** information about customer satisfaction with the service provided by their retailer, as measured by complaints and customer contact centre responsiveness.
- **Compensation Payments:** information about the number of compensation payments made by electricity retailers for failing to meet the service standards prescribed in the *Code of Conduct for the Supply of Electricity to Small Use Customers* (**Electricity Customer Code**).

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<sup>5</sup> The Authority published a report on the performance of electricity retailers covering the year ending 30 June 2007. Because of indicator definition issues, the performance data for 2006/07 is not included in the main body of the report, but it is available in the relevant tables in Appendix 1.

<sup>6</sup> Electricity retail licensees, electricity integrated regional licensees who retail to small use customers and gas trading licensees.

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## Energy Retail Market

This section of the report looks at the energy retail market as measured by the number of retailers who are supplying the small use customer<sup>7</sup> market and the number of customers that are supplied by each retailer. The remainder of this section provides information about:

- licensed electricity and gas retailers;
- retailers who are retailing electricity or gas to small use customers; and
- small use electricity and gas customer numbers.

## Energy Retailers

The number of licensed electricity and gas retailers has changed very little since 2006/07. The same can also be said for the number of electricity and gas retailers who supply small use customers. Table 1 details the number of licensed electricity and gas retailers during the six years ending 30 June 2012.

When the Electricity Act commenced in 2005, existing retailers were required to obtain a licence from the Authority by 30 June 2006. The majority of the licensed electricity retailers that are currently active in the market obtained their licence in 2006. Between 1 July 2006 and 30 June 2012, five new licenses have been issued (Clear Energy, ERM Power Retail, Griffin Energy Sales, Newmont AP Power and EDL Pilbara) and two licences have been surrendered (CSBP and Griffin Energy Sales).

**Table 1: Number of licensed Retailers (as at year ending 30 June)**

Licensed Retailers	2007	2008	2009	2010	2011	2012
<b>Electricity</b>						
All retailers	14	15	16	17	16	17
Retailing to small use customers	5	5	5	6	6	6
<b>Gas</b>						
Retailing to small use customers <sup>8</sup>	3	5	6	6	5	5

The Authority took over responsibility for licensing gas retailers in 2005. At this time there were three licensed gas retailers: Alinta Sales (**trading as Alinta Energy**),<sup>9</sup> Wesfarmers Kleenheat Gas (**Wesfarmers**) and WorleyParsons Asset Management (**WorleyParsons**). Between 1 July 2006 and 30 June 2012, three new licences have been issued (Origin Energy, Perth Energy and Synergy) and one licence has been surrendered (Origin Energy).

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<sup>7</sup> Electricity customers who consume less than 160MWh of electricity per annum, or gas customers who consume less than 1TJ of gas per annum.

<sup>8</sup> Only gas retailers who supply small use customers are required to hold a licence (refer to page 40 of this report).

<sup>9</sup> The remainder of this report will refer to Alinta Sales' trading name, Alinta Energy.

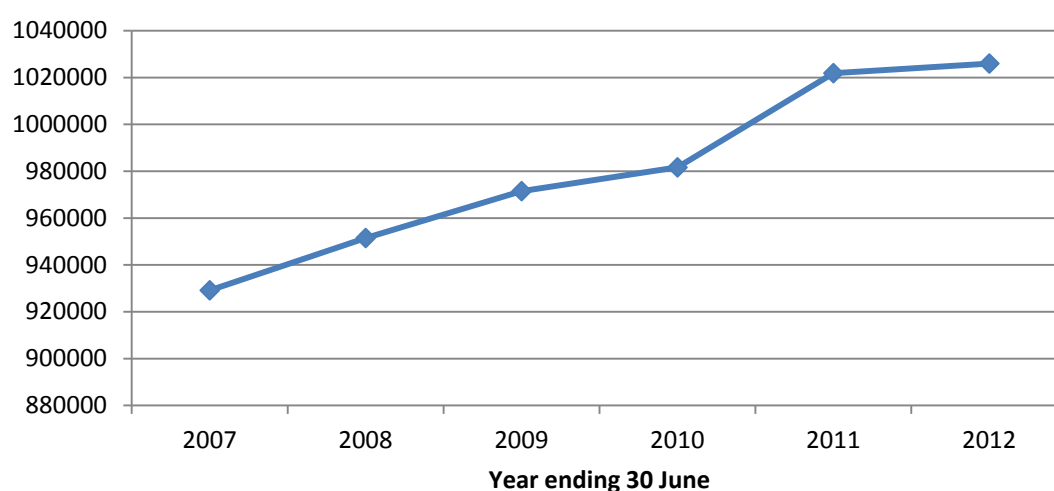
At 30 June 2012, there were three retailers that were supplying both electricity and gas to small use customers: Alinta Energy, Perth Energy and Synergy. Alinta Energy commenced supplying electricity to business customers in 2006, while Synergy commenced supplying gas to business customers in 2007. Perth Energy, who retail electricity to business customers, obtained a gas licence in November 2010 but has not yet commenced supply to customers.

## Customers

### Electricity

Figure 1 details the total number of small use electricity customers, while Table 2 provides separate totals for residential and non-residential customers.

**Figure 1: Small use electricity customers**



**Table 2: Number of small use electricity customers**

Year ending 30 June	Residential	Non-Residential	Total	Change from previous year
2007	839,864	89,287	929,151	-
2008	860,371	91,107	951,478	2.4%
2009	879,878	91,616	971,494	2.1%
2010	881,470	100,176	981,646	1.0%
2011	921,374	100,491 <sup>10</sup>	1,021,865	4.1%
2012	928,841	97,131	1,025,972	0.4%

<sup>10</sup> The number of non-residential customers has been adjusted from the value in the 2011 report due to the amendment of the Perth Energy customer numbers.

Table 2 shows that the growth in the total number of customers grew by 0.4%, comprising a 0.8% growth in residential customers and a 3.3% decrease in non-residential (small business) customers. This is the lowest rate of growth in customer numbers since reporting began in 2007. However, the non-residential data needs to be viewed with caution because three retailers have informed the Authority that customer numbers reported in previous years have been overstated. The true change in non-residential customer numbers is therefore difficult to gauge this year. This is discussed in more detail below.

Table 3 provides details of the number of customers supplied by each retailer. Clear Energy has been excluded from this table because they have not supplied any customers since obtaining their licence.

Perth Energy has provided restated customer numbers for 2011 after advising the Authority that they had been reporting the total number of customers supplied rather than just small use customers. Perth Energy has now reduced the number of non-residential customers supplied in 2011 from 921 to 32.<sup>11</sup> Revised customer numbers for the years prior to 2011 has not been provided.

**Table 3: Electricity residential and non-residential customers by retailer (as at 30 June)**

Retailer	Residential			Non-residential			Total		
	2011	2012	Change from 2011	2011	2012	Change from 2011	2011	2012	Change from 2011
Alinta Energy	0	0	0	1,447	1,449	0.1%	1,447	1,449	0.1%
Horizon Power	30,371	34,037	12.1%	7,159	7,939	10.9%	37,530	41,976	11.8%
Perth Energy	0	0	0	32	68	112.5%	32	68	112.5%
Rottnest Island Authority	85	0	-100%	90	25	-72.2%	175	25	-85.7%
Synergy	890,918	894,804	4.4%	91,763	87,650	-4.5%	982,681	982,454	-0.2%
<b>All Retailers</b>	<b>921,374</b>	<b>928,841</b>	<b>0.8%</b>	<b>100,491</b>	<b>97,131</b>	<b>-3.3%</b>	<b>1,021,865</b>	<b>1,025,972</b>	<b>0.4%</b>

The Rottnest Island Authority advised the Authority that they had miscalculated the number of customers because they had misinterpreted the requirement to report customer numbers based on the number of accounts rather than the number of supply points (metered connections). The customer data provided for 2012 shows that all of Rottnest Island Authority's customers are non-residential and a much smaller in number than previously reported. Rottnest Island Authority has not provided amended customer numbers for the years up to and including 2011.

In 2012, Horizon Power notified the Authority that the number of residential and non-residential customers has been underreported in previous years, which came to light after they had implemented a new customer information system during 2011. This has resulted in a 12.1% increase in the number of residential customers and a 10.9% increase in the

<sup>11</sup> When Perth Energy submitted their 2012 annual performance report they informed the Authority that in previous years they have reported all customers rather than those customers who consume less than 160MWh per annum, which has resulted in the large reduction in their customer numbers.

number of non-residential customers. Horizon Power has not provided amended customer numbers for previous years.

The area supplied through the SWIS (supplied by Alinta Energy, Perth Energy and Synergy) accounts for 96.3% of residential and 91.8% of non-residential customers in the State. The remaining customers are located in regional areas that are supplied by Horizon Power, with the exception of 25 non-residential customers on Rottnest Island, who are supplied by Rottnest Island Authority.

Table 4 provides information on the number of contestable customers in the area supplied through the SWIS.<sup>12</sup> Comparing the customer numbers in Table 4 with those in Table 3 shows that only 0.2% of residential and 10.5% of non-residential customers are contestable. Synergy is the only retailer who supplies residential customers in the area supplied through the SWIS. However, there is competition in the non-residential market, although Synergy is still the dominant retailer supplying 83.8% of the customers.

In the areas outside the SWIS, Horizon Power supplies over 30 towns and communities across regional areas of the State, other than Rottnest Island. Although there is no legislative impediment to other retailers supplying customers in the regional areas supplied by Horizon Power, no other retailer has operated in these areas electricity supply was deregulated in 2005.

The Rottnest Island Authority is the sole provider of utility services on Rottnest Island; a reserve that is subject to legal protections. These protections serve to prevent other retailers from supplying electricity customers on the island.

**Table 4: Electricity contestable customers (as at 30 June)<sup>13</sup>**

Retailer	Residential			Non-residential			Total		
	2011	2012	Change from 2011	2011	2012	Change from 2011	2011	2012	Change from 2011
Alinta Energy	0	0	-	1,447	1,449	0.14%	1,447	1,449	0.14%
Horizon Power	30,371	34,037	12.1%	7,159	7,939	10.9%	37,530	41,976	11.9%
Perth Energy	0	0	-	32	68	-92.6%	32	68	112.5% <sup>14</sup>
Synergy	1,095	1,749	59.1%	8,781	7,849	-10.6%	9,896	9,598	0.3%
<b>All Retailers</b>	<b>31,466</b>	<b>35,786</b>	<b>13.8%</b>	<b>18,308</b>	<b>17,308</b>	<b>-5.5%</b>	<b>49,801</b>	<b>53,094</b>	<b>6.6%</b>

<sup>12</sup> See Appendix 2 for the definition of contestable and non-contestable electricity customers.

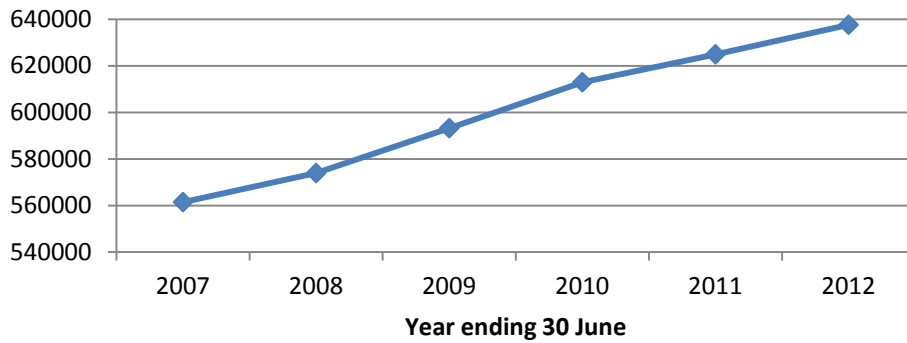
<sup>13</sup> RIA customers have been excluded from this table because of the legal barriers that prevent other retailers operating on the Rottnest Island.

<sup>14</sup> Perth Energy has provided restated customer numbers for 2011 after advising the Authority that they had been reporting the total number of customers supplied rather than just small use customers, see the comment on page 3.

## Gas

During 2012, the total number of gas customers increased by 2.0% (Table 5), comprising a 2.1% growth in residential customers and a 0.2% reduction in non-residential customers. Since 2007, the total number of gas customers has grown by an average of 2.6% per annum.

**Figure 2: Small use gas customers**



**Table 5: Total number of small use gas customers**

Year ending 30 June	Residential	Non-Residential	Total	Change from previous year
2007 <sup>15</sup>	553,129	8,339	561,468	-
2008	566,084	7,851	573,935	2.2%
2009	585,058	8,172	593,230	3.4%
2010	604,609	8,338	612,947	3.3%
2011	616,431	8,513	624,944	2.0%
2012	629,142	8,500	637,642	2.0%

Table 6 provides an overview of the number of residential and non-residential gas customers supplied by each retailer. While the residential and non-residential gas retail market is fully contestable, in practice there are other factors, both regulatory and structural, that have resulted in a large proportion of customers not having a choice of retailer. This is discussed further below.

During 2012, there was an across the board increase in the number of residential customers supplied by gas retailers. However, Alinta Energy was the only retailer to report growth in non-residential customer numbers, with Synergy and WorleyParsons reporting modest reductions in their non-residential customer base.

Table 6 and Table 7 provide a picture of the level of competition in the largest supply areas of the State, which are served by the distribution networks operated by ATCO Gas Networks within the Coastal, Goldfields-Esperance and Great Southern supply areas (that includes Perth, Mandurah, Bunbury, Kalgoorlie and Albany). There are three retailers active in these areas: Alinta Energy, Perth Energy and Synergy, although it should be

<sup>15</sup> The 2007 customer data was excluded from the report published in 2011 in error.

noted that, under the Gas Market Moratorium (see page 40), Synergy is precluded from supplying customers who consume less than 180GJ of gas per annum.

**Table 6: Gas residential and non-residential customers by retailer (as at 30 June)**

Retailer	Residential			Non-residential			Total		
	2011	2012	Change from 2011	2011	2012	Change from 2011	2011	2012	Change from 2011
Alinta Energy	615,717	628,328	2.1%	8,359	8,468	1.3%	624,076	636,796	2.0%
Perth Energy	0	0	-	0	0	-	0	0	-
Synergy	0	0	-	119	112	-5.9%	119	112	-5.9%
Wesfarmers	455	535	17.6%	1	1	-	456	536	17.5%
WorleyParsons	259	279	7.7%	34	31	-8.8%	293	310	5.8%
<b>All Retailers</b>	<b>616,431</b>	<b>629,142</b>	<b>2.1%</b>	<b>8,513</b>	<b>8,612</b>	<b>1.1%</b>	<b>624,944</b>	<b>637,944</b>	<b>2.0%</b>

Comparing Table 6 with Table 7 shows that the Gas Market Moratorium has restricted the proportion of Alinta Energy's customers that are accessible to Synergy to 0.3% of residential customers and 23.3% of non-residential customers. The size of the competitive residential gas market is quite similar to the competitive electricity market (0.2%), whereas the size of the competitive non-residential gas market is over twice that of the electricity market (10.5%).

Alinta Energy is the only retailer supplying the 244 residential customers that are not covered by the Moratorium; Synergy supplied 5.7% of the 1,972 non-residential customers that are not covered by the Moratorium.

As is the case with the electricity market, the effect of the government's regulatory controls means that residential and smaller non-residential gas customers have a limited choice of retailer. Currently, the larger non-residential gas customers only have a choice of two retailers. Even though there is no regulatory impediment to retailers other than Synergy entering the small use residential and non-residential gas market, only one other retailer has entered the market since 2007 (see Table 1). While the reasons for this are not clear, the Authority considers a possible explanation is that the gas market is relatively small in size, and the restrictions on accessing the majority of electricity customers remove the potential to offer dual-fuel contracts to residential and small business customers.

**Table 7: Residential and non-residential customers covered by the Gas Market Moratorium**

Year ending 30 June	Residential	Non-Residential	Total	Change in total number from previous year
<b>2009</b>	583,655	7,684	591,339	-
<b>2010</b>	603,687	6,340	610,027	3.2%
<b>2011</b>	615,454	6,513	621,967	2.0%
<b>2012</b>	628,084	6,496	634,580	2.0%

Wesfarmers retails Liquefied Petroleum Gas (LPG) gas to residential and non-residential customers in Margaret River and Oyster Bay (Albany). Both of these areas are served by distribution networks that are also operated by Wesfarmers. Because no other retailer has an access agreement for these distribution networks, the customers supplied by these



networks are not able to choose an alternative retailer. However, customers are able to switch to using bottled LPG, which is supplied through a competitive market.

WorleyParsons retails natural gas to residential and non-residential customers in Esperance via a distribution network that is owned by Esperance Power Station. As is the case with the Wesfarmers supply areas, because no other retailers have an access agreement for the Esperance distribution network, WorleyParson's customers are not able to choose an alternative retailer for a natural gas supply. Customers can choose to switch over to LPG, but this would involve additional costs in converting their appliances to handle LPG.

### *Electricity Pre-Payment Meter Customers*

The regulatory framework governing pre-payment services within Western Australia restricts these services to areas of the State that have been declared by the Minister for Energy by notice published in the *Government Gazette*. Restrictions on the areas where pre-payment meters can be installed have limited the growth in pre-payment meter customers.<sup>16</sup> Until 2010, the deployment of pre-payment meters was restricted to Aboriginal and Remote Communities Power Supply Project or Town Reserves Regularisation Program communities in the north of the State that are supplied by Horizon Power. In 2010, Synergy commenced supplying customers through prepayment meters when an aboriginal community in the Kalgoorlie area was gazetted by the Minister.

Since 2006, the total number of pre-payment meter customers has increased by an average of 34.9% per annum (Table 8). The growth in pre-payment meter customers during 2012 was 10.5%.

**Table 8: Pre-payment meter electricity customers by retailer**

Retailer	Year ending 30 June					
	2007	2008	2009	2010	2011	2012
Horizon Power	179	479	515	608	705	784
Synergy	-	-	-	17	20	17
<b>State Total</b>	<b>179</b>	<b>479</b>	<b>515</b>	<b>625</b>	<b>725</b>	<b>801</b>

<sup>16</sup> Synergy has also commented that the prescribed functionality under the Electricity Customer Code is limiting growth in pre-payment meters. Western Power, as the distributor supplying the SWIS, cannot provide Synergy with a meter that complies with the requirements of Part 9 of the Electricity Customer Code.

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## Affordability

Affordability of energy is influenced by price, consumption levels, income, and competing demands for expenditure. The credit management policies of retailers can impact on those customers who are experiencing financial hardship or payment difficulties. This section of the report provides information about the measures implemented by retailers to facilitate customer's access to an energy supply.

The Authority's energy customer protection framework is articulated in the Electricity Customer Code and the Gas Customer Code. In both Codes the framework is based on the principle that disconnecting a customer from supply solely because they are unable to pay is a last resort. Energy retailers are required to provide assistance to customers to stay connected to electricity and gas supply, by offering special billing arrangements, access to concessions and government grants and energy efficiency audits.

The Electricity Customer Code and the Gas Customer Code require electricity and gas retailers to develop a financial hardship policy to assist small use residential customers in meeting their financial obligations and responsibilities to the retailer. The Codes specify the minimum contents of such policies and require the retailer to develop their hardship policy in consultation with relevant consumer representative organisations. Retailers are required to review their hardship policy annually and submit the policy to the Authority for review. The first reviews of the electricity and gas retailer's financial hardship policies were completed by the Authority in 2011. All of the policies were assessed as complying with the relevant Code. The effectiveness of the retailer's hardship policies is likely to be an area of focus for the Authority in the upcoming retailer compliance audits.

The Electricity Customer Code and the Gas Customer Code specify a number of payment assistance options to assist customers in temporary or longer-term financial difficulties:

- granting the customer more time to pay a bill;
- offering the customer an instalment plan to pay arrears and continued usage on their account, according to an agreed payment schedule and capacity to pay;
- placing the customer on a shortened billing cycle.

Customers may be offered one or more of the above options at the same time.

Retailers are required to report to the Authority annually on the number of customers (and percentage of their customer base) that have accessed each of the three payment assistance options detailed above.

Both Perth Energy and Rottnest Island Authority have reported that none of their customers accessed any of the above payment options since they obtained their respective licences. Accordingly, these retailers have been excluded from the coverage under this section.

### Granting customers more time to pay a bill

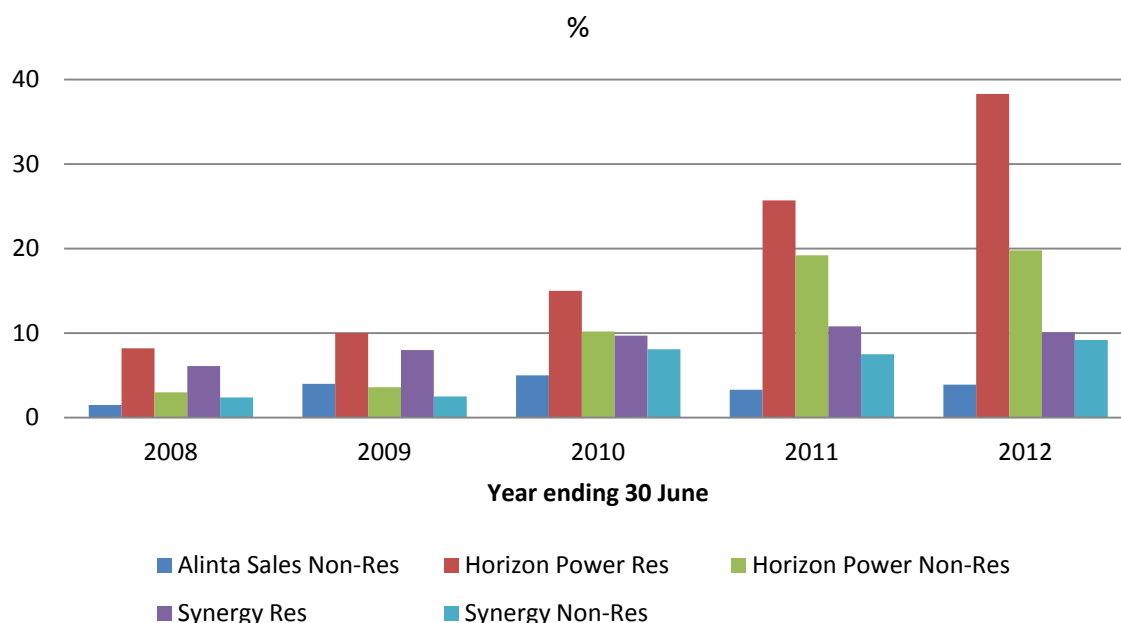
Granting the customer more time to pay all or part of a bill may be a useful approach to addressing temporary financial difficulties, particularly where the customer has a short-term cash flow problem or faces competing demands for their limited financial resources.

Gas retailers are not currently required to report against this performance indicator, although they are required to collect data on the number of customers granted more time to pay a bill.<sup>17</sup> The requirement for retailers to report on the indicator will be reviewed for the reporting year ending 30 June 2013.

Figure 3 details the percentage of residential and non-residential electricity customers who have been granted more time to pay a bill under Part 6 of the Electricity Customer Code.

The percentage of Horizon Power’s residential and non-residential customers being granted more time to pay a bill has reached a five year high in 2012 at 38.3% and 19.8% respectively. Synergy reported a slight fall in the number of residential customers being granted more time to pay (10.1%, down from 10.8% in 2011), but the percentage of non-residential customers granted more time to pay reached a five year high at 9.2%. Synergy advised the Authority that they offer customers other forms of payment extension as a means of assisting customers before they need assistance under Part 6 of the Electricity Customer Code.

**Figure 3: Percentage of electricity customers granted more time to pay a bill**



Since electricity tariffs started to increase in 2009, both Horizon Power and Synergy have reported increases in the percentage of residential and non-residential customers being granted more time to pay, compared to the years immediately preceding the tariff increases. This implies more of these retailers’ customers are struggling to pay their electricity bills as the tariffs have increased over time, particularly customers in regional areas supplied by Horizon Power.

Alinta Energy reported an increase in the percentage of customers granted more time to pay in 2012 (3.9%, up from 3.3% in 2011), but this is below the five year high of 5.0% that was reported in 2010.

<sup>17</sup> However, gas retailers are required to keep records of the number of customers granted more time to pay a bill.

## Instalment Plans

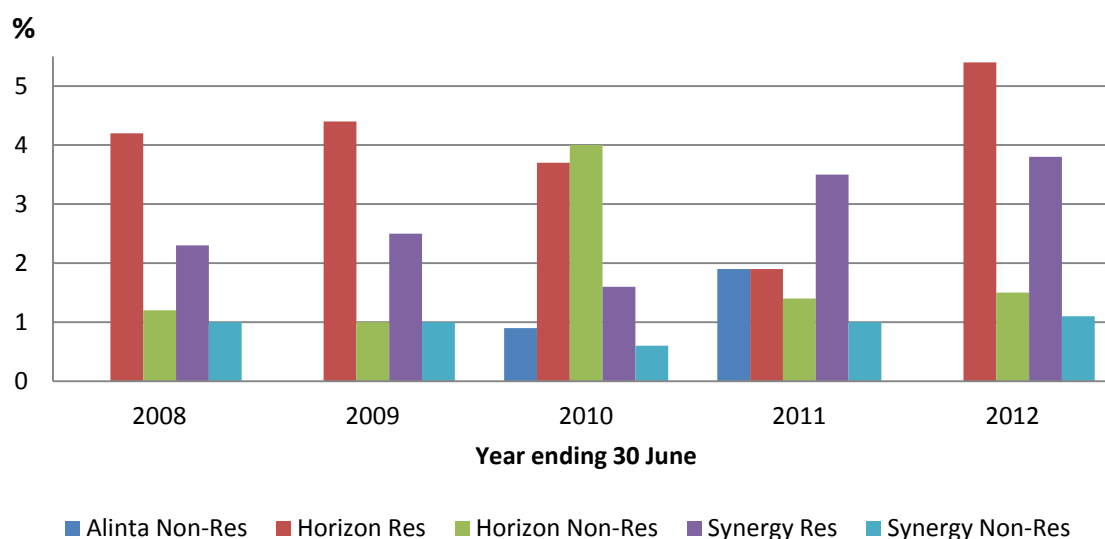
Energy retailers are required to offer an interest-free and fee-free instalment plan to any residential customer who is assessed as experiencing payment difficulties or considered to be in financial hardship. The instalment plan provides a means of paying off accrued arrears, connection or disconnection charges and ongoing consumption through regular payments. The retailer is required to take into account the customer's ongoing consumption needs and capacity to pay when setting up an instalment plan.

### Electricity

Figure 4 details the percentage of residential and non-residential electricity customers on an instalment plan.

In 2012, the percentage of residential customers placed on an instalment plan by Horizon Power and Synergy reached five year highs (5.4% and 3.8% respectively). Both retailers also increased the percentage of non-residential customers on plans compared to 2011. The percentage of Synergy's non-residential customers on a plan in 2012 was also at a five year high (1.1%).

**Figure 4: Percentage of residential and non-residential electricity customers on an instalment plan**



The increase in the number of residential and non-residential customers placed on instalment plans by Synergy over the past three years correlates with the increases in tariffs over the same period. This further reinforces the view (discussed in the previous section) that an increasing number of Synergy's customers are struggling to pay their bills as regulated tariffs have increased over the past three years. The data suggests that Horizon Power is making greater use of instalment plans as a means of assisting residential and non-residential customers who are struggling to pay their bills.

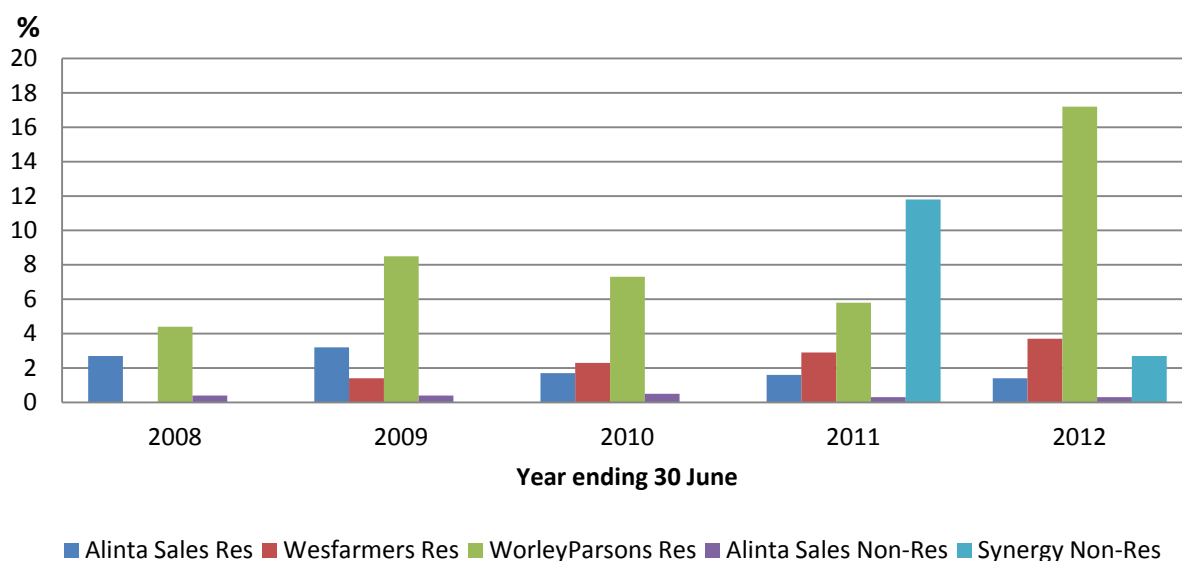
### Gas

Figure 5 details the percentage of residential and non-residential gas customers on an instalment plan.

Examination of the data in Figure 5 presents a mixed picture for residential customers; the percentage of Alinta Energy's customers placed on an instalment plan is at a five year low (1.4%), whereas Wesfarmers and WorleyParsons have reported five year highs at 3.7% and 17.2% respectively.

During 2012, the percentage non-residential customers placed on an instalment plan by Alinta Energy remained unchanged at 0.3%, while Synergy reported a significant reduction in the percentage of customers on a plan (2.7%, down from 11.8% in 2011). The Synergy data should be treated with caution because of the low customer base.

**Figure 5: Percentage of residential and non-residential gas customers on an instalment plan**



## Shortened Billing Cycle

As has been the case in previous years, placing customers on a shortened billing cycle (i.e. issuing bills at a frequency greater than the standard billing interval) is not an option that had been implemented by any electricity or gas retailers.

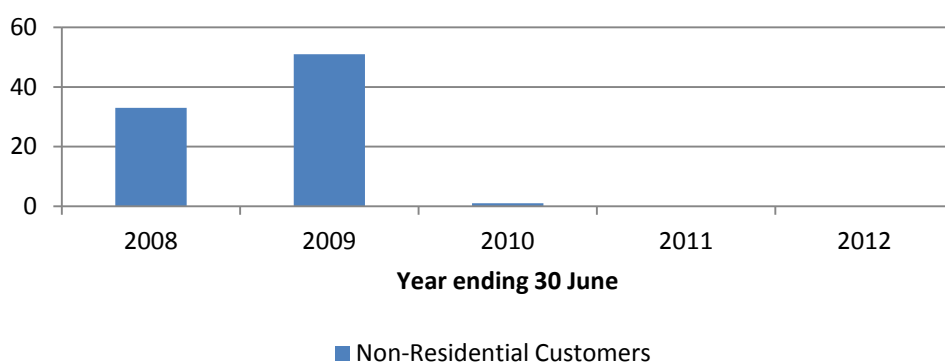
## Security Deposits

A security deposit is a refundable advance payment made by a customer to secure connection or reconnection to an electricity or gas supply. Requiring a security deposit before supplying energy to a customer can go some way towards insuring the retailer against default, particularly for those customers with a bad credit history.

None of the gas retailers have required their customers to provide a security deposit to secure a gas supply since reporting began.

Synergy is the only electricity retailer that has required customers to provide a security deposit at any time over the past five years, but only for non-residential customers. Figure 6 shows that, for the second consecutive year, Synergy have not required any of their non-residential customers to provide a security deposit.

**Figure 6: Number of Synergy's non-residential customers providing security deposits**



## Termination of Direct Debit Plans

Retailers are required to keep records of the number of direct debit plans they have terminated as a result of default or non-payment by a customer covering two or more successive payment periods. Customers often use direct debit arrangements to smooth the cost of their energy consumption over the year. The number of direct debit defaults is an indicator of financial stress among the group of customers with these plans.

### Electricity

The only retailer to report terminating direct debit plans for default is Synergy. Over the past three years there has been a rise in the number of residential and non-residential direct debit plans terminated (Table 9). As is the case with the other affordability indicators discussed in this section, the increase in the number of direct debit plans terminated coincides with the increases in electricity tariffs that commenced in 2009. This suggests that an increasing number of the customers on direct debit plans are experiencing paying their electricity bills.

**Table 9: Synergy electricity residential and non-residential direct debit terminations**

Year ending 30 June	2008	2009	2010	2011	2012
Residential	84	202	2,087	3,925	4,164
Non-residential	0	8	93	100	134

### Gas

The only retailer to report terminating direct debit plans for default over the past five years is Alinta Energy (Table 10).<sup>18</sup> The number of residential plans terminated by Alinta Energy during 2012 was lower than previously reported, and significantly lower than in 2011. In contrast, the number of non-residential plans terminated each year for the past three years is much lower than the preceding two years.

<sup>18</sup> Synergy reported a single direct debit plan termination in 2010, but this appeared to be a one-off occurrence.

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**Table 10: Alinta Energy gas residential and non-residential direct debit terminations**

	Year ending 30 June				
	2008	2009	2010	2011	2012
Residential	540	697	624	642	512
Non-residential	36	41	2	1	2

It is useful to normalise the level of residential direct debit terminations for Alinta Energy and Synergy to a value per 100 customers for comparison purposes.<sup>19</sup> Applying this approach to the data in Table 3, Table 9 and Table 10 we arrive at a figure of 0.08 for Alinta Energy and 0.46 for Synergy, which confirms that the per capita level of electricity residential customer direct debit terminations is over five times higher than in gas.

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<sup>19</sup> This is calculated as  $100 \times (\text{number of terminations}) / \text{number of customers}$

## Disconnections and Reconnections

The Electricity Customer Code requires retailers to help customers avoid disconnection by implementing the affordability measures described in the previous section of this report, and other policies designed to assist customers in financial distress.

A generally accepted indicator of the effectiveness of a retailer's hardship policies is the proportion of customers who are reconnected within seven days of being disconnected for non-payment. If a retailer's hardship policies are working effectively then the customers who are reconnected shortly after being disconnected will mostly be the customers who were able to pay the required amount, but chose not to until they were disconnected. The customers in financial distress who needed a little more time to pay, or to access additional financial assistance will not have been disconnected before they had exhausted their options to make payment.

Not all customers who are disconnected are in financial hardship, and the additional disconnection and reconnection indicators provide more information about the number of customers who may be experiencing financial hardship or having difficulties paying their bills. The three additional disconnection and reconnection indicators that are reported by retailers are:

- customers previously on an instalment plan;
- concession card holders; and
- customers who have been disconnected multiple times in the past 24 months.

## Disconnections

### Residential Customers

Figure 7: Residential electricity and gas disconnections

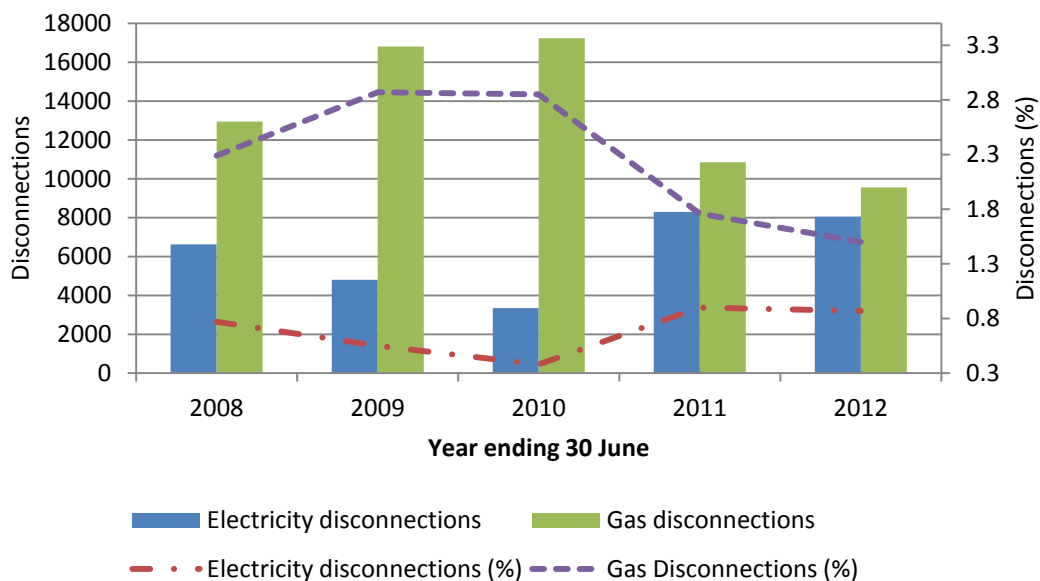




Figure 7 shows that, over the past five years, both the number of residential gas customers who have been disconnected, and the disconnection rate (per 100 customers) have been significantly higher than the equivalent residential electricity disconnection figures. Although the gap between the residential gas customer disconnection rate and the residential electricity customer disconnection rate has been closing since 2010, the gas disconnection rate in 2012 (1.50%) is still much higher than the electricity rate (0.87%).

Table 11 details the residential disconnection rates of the four retailers who have reported disconnecting customers during the five years to 2012.

The reduction in the state-wide electricity disconnection rate during 2012 has been driven by the substantial reduction in Horizon Power's disconnection rate; Synergy's disconnection rate remained the same as that reported in 2011. It is interesting to note that, during 2012, Horizon Power has reported a fall in customer disconnections when the affordability indicators discussed in the previous section suggest that more of their customers are experiencing difficulties paying their bills and seeking assistance. The fall in the disconnection rate combined with the increased access to assistance programs suggests Horizon Power's financial assistance programs are helping more of their customers who are experiencing payment difficulties to stay connected during 2012.

**Table 11: Residential electricity and gas disconnection rates by retailer (per 100 customers)**

Retailer	Year ending 30 June				
	2008	2009	2010	2011	2012
<b>Electricity</b>					
Horizon Power	5.78	1.95	1.97	2.19	0.96
Synergy	0.58	0.49	0.3	0.86	0.86
<b>State Total</b>	<b>0.77</b>	<b>0.55</b>	<b>0.38</b>	<b>0.90</b>	<b>0.87</b>
<b>Gas</b>					
Alinta Energy	2.29	2.88	2.85	1.76	1.52
WorleyParsons	2.21	0.95	3.86	2.70	0.0
<b>State Total</b>	<b>2.29</b>	<b>2.87</b>	<b>2.85</b>	<b>1.76</b>	<b>1.52</b>

The residential disconnection rate for Alinta Energy has been declining since the peak in 2009, with substantial falls occurring in 2011 and 2012; the 2012 disconnection rate was at a five year low. Since 1 July 2009, gas retailers have been required to develop financial hardship policies, and the Authority considers it is improvements in the level of assistance that Alinta Energy has been providing to customers experiencing payment difficulties, or in financial hardship that provides the most likely explanation for the recent reduction in residential gas disconnections. This view is supported by the comments made by Alinta Energy in the 2011 report about residential customer disconnections.<sup>20</sup> While the Authority welcomes the reduction in Alinta Energy's residential disconnection rate, comparing their disconnection rate with that of the electricity retailers leads the

<sup>20</sup> See pages 13-14, 2010/11 Annual Performance Report – Energy Retailers, Economic Regulation Authority, March 2012.

Authority to conclude that Alinta Energy needs to maintain their focus on reducing the level of disconnections.

The WorleyParsons residential disconnection rate has fluctuated during the four years to 2011. However, 2012 was the first year that WorleyParsons did not disconnect any customers. It is interesting to note that this coincided with a substantial increase in the percentage of residential customers on an instalment plan (Figure 5).

Table 12 provides further information about residential electricity and gas disconnections in 2012 and compares them with the previous year. It should be noted that, because government subsidies and concessions are paid through electricity bills, the gas retailers do not have information about customers who are receiving concessions.

**Table 12: Residential disconnections - additional disconnection information (year ending 30 June)**

Retailer	Total disconnections		Customers previously on an instalment plan		Customers disconnected at the same supply address within the past 24 months		Concession card holders <sup>21</sup>	
	2011	2012	% of disconnections 2011	% of disconnections 2012	% of disconnections 2011	% of disconnections 2012	% of disconnections 2011	% of disconnections 2012
<b>Electricity</b>								
Horizon Power	664	328	32.2	41.2	23.0	18.9	10.2	17.4
Synergy	7,631	7,723	26.1	30.3	11.2	20.0	28.7	30.7
<b>Electricity Total</b>	<b>8,295</b>	<b>8,050</b>	<b>26.6</b>	<b>30.4</b>	<b>12.2</b>	<b>20.0</b>	<b>26.0</b>	<b>30.1</b>
<b>Gas</b>								
Alinta Energy	10,841	9,557	1.4	3.7	27.2	20.5	-	-
WorleyParsons <sup>22</sup>	7	0	-	-	20.5	-	-	-
<b>Gas Total</b>	<b>10,848</b>	<b>9,557</b>	<b>1.4</b>	<b>3.7</b>	<b>27.2</b>	<b>20.5</b>	<b>-</b>	<b>-</b>

Examination of Table 12 indicates that:

- Both Horizon Power and Synergy reported increases in the percentage of disconnections involving customers who have been disconnected multiple times in the past 24 months. However, Horizon Power's data relates to a much smaller disconnection base (664 in 2011 and 328 in 2012).
- The percentage of electricity disconnections involving concession card holders in regional areas (supplied by Horizon Power) has increased, compared to 2011.
- Only a small percentage of Alinta Energy's disconnections involve customers who are on instalment plans.
- Alinta Energy reported a reduction in the percentage of disconnections involving customers who have been disconnected multiple times in the past 24 months.<sup>23</sup>

<sup>21</sup> Because government subsidies and concessions are paid through electricity bills, the gas retailers do not know which of their customers are receiving a concession, so this data is not reported for gas retailers.

<sup>22</sup> Retailers with fewer than 30 disconnections do not have percentages reported.

<sup>23</sup> This is the second successive year that Alinta Sales has reported a fall in the number of multiple disconnections.

## Non-residential customers

Table 13 details the non-residential electricity and gas disconnection rates for each retailer over the past four years. It can be seen that, during 2012, the state-wide electricity non-residential disconnection rate fell and the gas non-residential disconnection rate increased.

In electricity, the decreases in the Horizon Power and Synergy disconnection rates is the main contributor to the decrease in the state-wide disconnection rate during 2012. Table 13 shows that Synergy's non-residential disconnection rate started to increase in 2011, with the 2012 disconnection rate being over four times higher than in 2010.

The Horizon Power non-residential disconnection rate for 2012 is the lowest on record at 0.15 per 100 customers. Since tariffs started to increase in 2010, the non-residential disconnection rate has fallen from the five year peak in 2010. The Authority notes that the reduction in Horizon Power's disconnection rate correlates with an increase in the number of non-residential customers being granted more time to pay a bill over the past three years (see Figure 3 for details of customers granted more time to pay).

In 2012, Alinta Energy disconnected non-residential electricity customers for the first time since 2008, while their non-residential gas customer disconnection rate was slightly higher than 2011.

**Table 13: Non-residential electricity and gas disconnection rates by retailer (per 100 customers)**

Retailer	Year ending 30 June				
	2008	2009	2010	2011	2012
<b>Electricity</b>					
Alinta Energy	0.12	0.00	0.00	0.00	0.69
Horizon Power	0.78	0.56	1.82	0.27	0.14
Synergy	0.17	0.20	0.20	0.54	0.50
<b>State Total</b>	<b>0.77</b>	<b>0.55</b>	<b>0.38</b>	<b>0.51</b>	<b>0.47</b>
<b>Gas</b>					
Alinta Energy	1.52	1.65	1.92	1.03	1.10
<b>State Total</b>	<b>1.49</b>	<b>1.61</b>	<b>1.89</b>	<b>1.01</b>	<b>1.10</b>

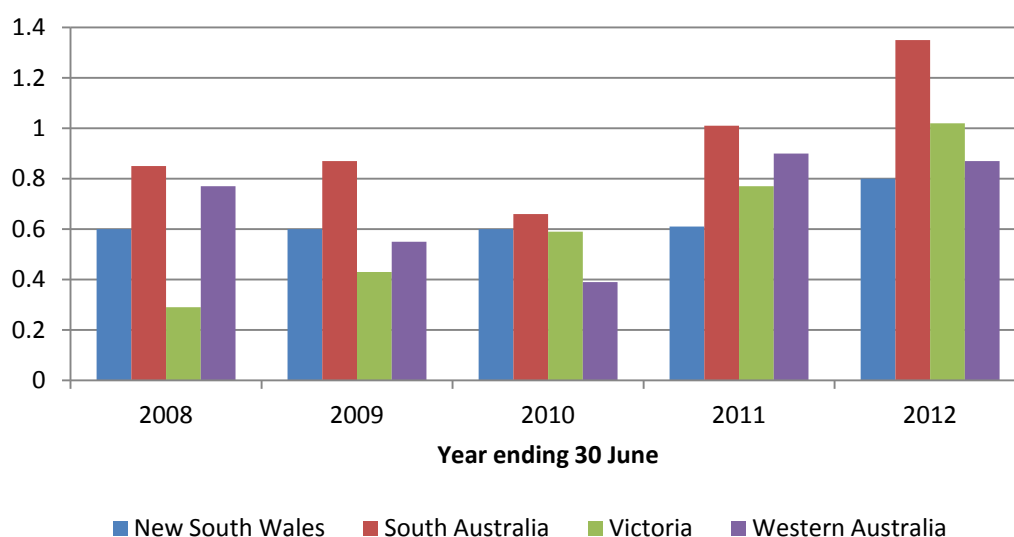
## Inter-jurisdictional comparison of residential electricity disconnections

Figure 8 compares the residential electricity disconnection rate for Western Australian electricity retailers with that of three other jurisdictions that have reported data for 2012 and the preceding four years.<sup>24</sup> The comparison shows that between 2010 and 2012, the residential disconnection rate in all four jurisdictions has increased. Compared to 2011, Western Australia was the only jurisdiction to report a reduction in the residential disconnection rate. Examination of Figure 8 suggests that customers across the country

<sup>24</sup> Previous reports have included data for Tasmania, but this has been removed because the Tasmanian definition of a small use customer has a 150MWh per annum consumption limit rather than the 180MWh limit used in New South Wales, South Australia, Victoria and Western Australia.

are experiencing difficulty in staying connected to a supply in the face of rising electricity tariffs, particularly since 2011.

**Figure 8: Jurisdictional comparison of residential electricity disconnection rates (per 100 customers)<sup>25</sup>**



## Reconnections

### Residential customers

The reconnection data presented in this part of the report covers the retailers that have disconnected residential electricity and gas customers – Alinta Energy, Horizon Power, Synergy and WorleyParsons.<sup>26</sup>

Figure 9 details the state-wide number of electricity and gas residential disconnections where the customer is reconnected within seven days of the disconnection, as well as the state-wide reconnection rate (expressed as a percentage of the disconnections) for the five years to 2012.

The customers who are reconnected within seven days of disconnection are a mixture of customers who choose not to pay their bills until they are disconnected and those who are unable to pay because they are in financial distress. Disconnecting customers who choose not to pay their bills is generally a necessary action for retailers to take to protect their business interests. Among the customers who are in financial distress when they are disconnected are those customers who might have been able to avoid disconnection had they been granted a little more time to make a payment, or been provided with financial

<sup>25</sup> Sources of data for the other jurisdictions:

Customer Service Performance of Electricity Retail Suppliers, 1 July 2007 – 30 June 2012, Independent Pricing and Regulatory Tribunal of New South Wales

Performance of the South Australian Energy Market 2011/12, Essential Services Commission of South Australia

Energy Retailers Comparative Performance Report - Customer Service 2011/12, Essential Services Commission of Victoria.

<sup>26</sup> It should be noted that WorleyParsons did not disconnect or reconnect any customers during 2012.

hardship assistance by the retailer. Retailers with effective hardship policies are able to identify and assist these customers before they are disconnected, which then reduces the reconnection rate.

Table 12 and Table 14 provide data on the proportion of disconnections and reconnections that involve customers who have received financial assistance (concession payments, or been on an instalment plan to pay off outstanding debt), or who have previously been disconnected for non-payment. These indicators help identify the proportion of customers who were probably in financial hardship or experiencing payment difficulties at the time they are disconnected.

In 2012, the state-wide percentage of electricity and gas disconnections that result in a reconnection within seven days have both increased since 2011, with the electricity reconnection rate reaching a five year high.

**Figure 9: Electricity and gas reconnections**

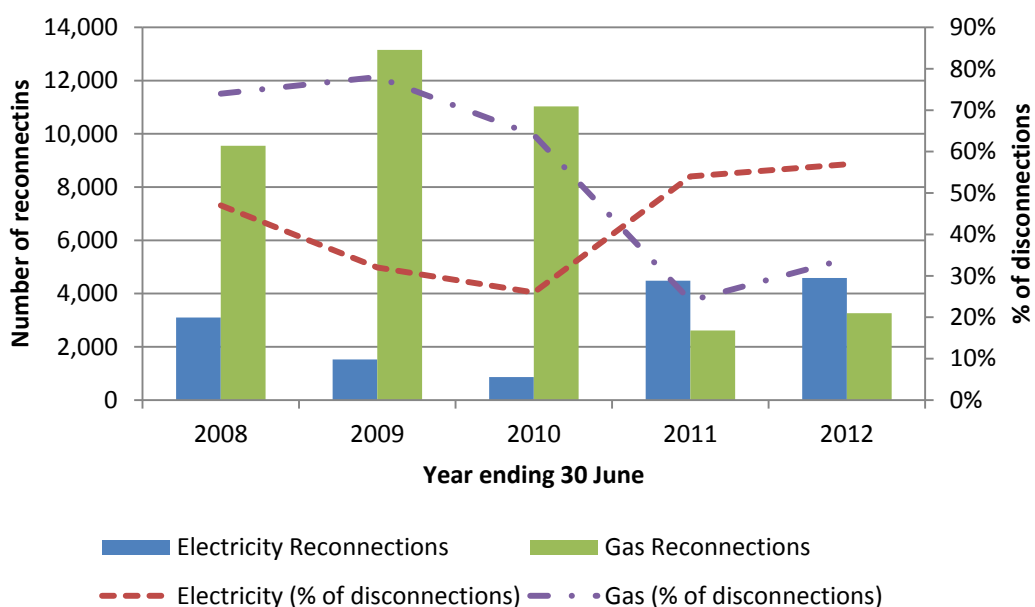
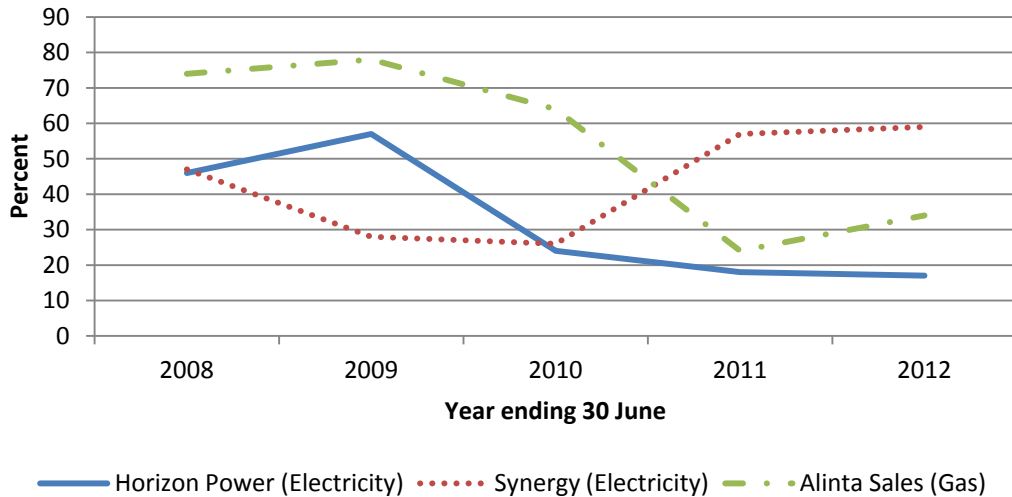


Figure 10 shows the residential reconnection rate for the electricity and gas retailers. It is generally accepted that the reconnection rate is an indicator of how many of the customers that are disconnected who were experiencing financial distress at the time they are disconnected. In the previous section of the report (disconnections) it was noted that the increase in Synergy’s residential disconnection rate corresponded with increases in electricity tariffs since 2010. Comparing Figure 10 with Table 11 shows that Synergy’s reconnection rate since 2010 has also risen in step with the increase in the disconnection rate such that, by 2012, almost six in every 10 disconnected customers were reconnected within seven days of being disconnected.

Synergy’s relatively high reconnection rate is a concern for the Authority because of the additional costs incurred by customers to restore their supply after disconnection, thereby placing the customer under further financial stress. The Authority sees the relatively high reconnection rate as an indication that there is scope for Synergy to further improve their identification of customers who need to be offered assistance (such as an instalment plan, or to be placed on a financial hardship program), before they are disconnected. Synergy does not agree with the Authority’s interpretation of the reconnection data and has provided detailed explanations to the Authority of their approach to managing debtor

customers as evidence of their intention to keep customers connected where possible. The Authority has considered the information provided by Synergy, but remains of the view that it is reasonable to expect Synergy to review the effectiveness of their policies dealing with debtor customers to see if more can be done to reduce the number of disconnections that result in a reconnection within seven days.

**Figure 10: Residential electricity and gas reconnection percentages by retailer**



In 2012, Horizon Power recorded the lowest residential reconnection rate for five years at 16%. This is the third successive year that the reconnection rate has fallen, even though the disconnection rate over the same period has been high for two of the three years. One possible explanation is that Horizon Power has put in place effective strategies to assist customers in financial distress who needed a little more time to pay, or to access additional financial assistance. This view is partly supported by the increased number of Horizon Power’s customers accessing the financial assistance options detailed in the Affordability section of this report.

Table 14 provides further information about residential electricity and gas reconnections for 2012, and compares it to the previous year. The table shows the reconnections in each category expressed as a percentage of the total disconnections for each retailer. As mentioned previously in this report, because government subsidies and concessions are paid through electricity bills, the gas retailers do not have information about customers who are receiving a concession.<sup>27</sup>

Comparing Table 14 with Table 12 indicates that:

- Over the past two years, the majority of Synergy’s customers who were disconnected and who were also previously on an instalment plan are reconnected within seven days of being disconnected. As discussed above, the Authority is of the opinion that there may be scope for Synergy to do more to assist this group of customers to help avoid disconnection.
- Over the past two years, two out of every three concession card holders disconnected by Synergy were reconnected within seven days. Also, the number of concession card holders disconnected by Synergy during 2012 is almost unchanged from 2011. An unchanged reconnection rate over the two year period

<sup>27</sup> See page 16.

further supports the Authority's view that there is scope for Synergy to see whether more can be done to assist these customers avoid disconnection.

- Compared to 2011, the percentage of Horizon Power disconnections and reconnections involving customers previously on an instalment plan both increased. This suggests that Horizon Power should investigate whether more of these customers can be offered assistance.
- While the number of Alinta Energy's disconnections involving instalment plan customers has more than doubled in 2012, the reconnection rate has hardly changed. There are a number of possible interpretations of this data but, given that the customers are on instalment plans to help pay off outstanding debt, it is possible that the customers are taking longer than seven days to make the necessary arrangements to restore their gas supply.

**Table 14: Residential reconnections - additional reconnection information (year ending 30 June)**

Retailer	Total reconnections		Customers previously on an instalment plan		Customers disconnected at the same supply address within the past 24 months		Concession card holders	
	2011	2012	% of disconnections	% of disconnections	% of disconnections	% of disconnections	2011	2012
<b>Electricity</b>								
Horizon Power	120	55	6.9	11.6	3.6	4.0	3.2	4.3
Synergy	4,366	4,530	23.7	26.8	7.1	13.6	19.8	20.3
<b>Electricity Total</b>	<b>4,486</b>	<b>4,583</b>	<b>22.3</b>	<b>26.2</b>	<b>6.8</b>	<b>13.1</b>	<b>18.5</b>	<b>19.6</b>
<b>Gas</b>								
Alinta Energy	2,615	3,236	1.4	1.6	5.3	5.1	-	-
<b>Gas Total</b>	<b>2,615</b>	<b>3,236</b>	<b>1.4</b>	<b>1.6</b>	<b>5.3</b>	<b>5.1</b>	<b>-</b>	<b>-</b>

### *Non-residential customers*

Figure 11 details the state-wide number of electricity and gas non-residential disconnections where the customer is reconnected within seven days of the disconnection, as well as the state-wide reconnection rate (expressed as a percentage of the disconnections) for the five years to 2012. The reconnections that take place within seven days of disconnection sometimes involve customers who are struggling to pay their energy bills due to short-term cashflow problems.

**Figure 11: Non-residential electricity and gas reconnections**

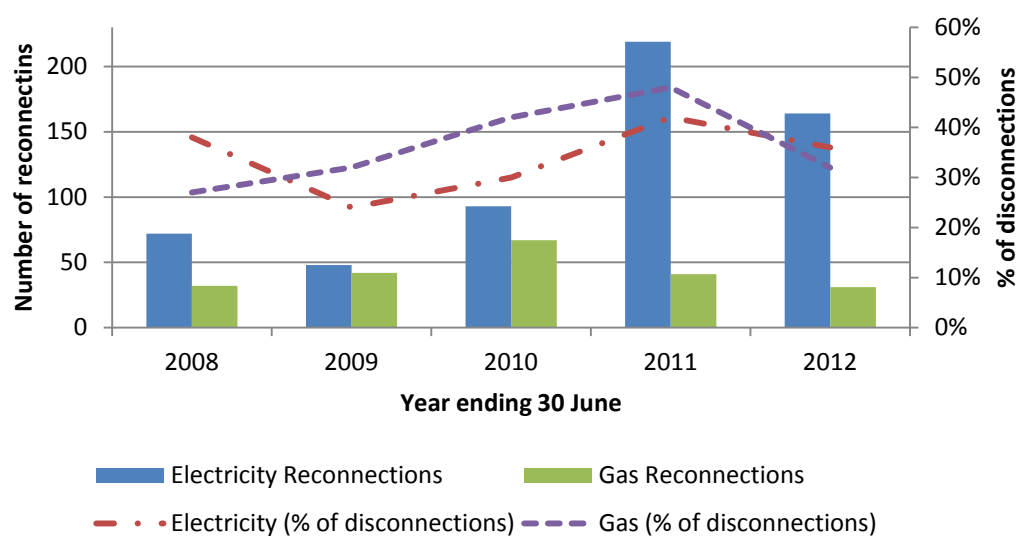
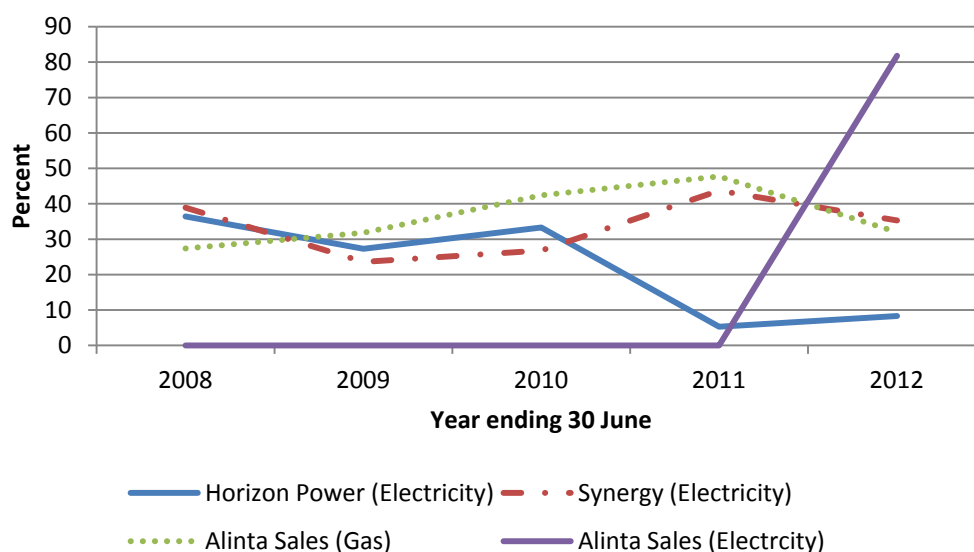


Table 13 shows that, during 2012, the number of non-residential electricity customer disconnections fell by 11.6% compared to 2011, while the number of non-residential gas customer disconnections increased by 12.8% over the same period. Comparing Figure 11 with Table 13 it can be seen that the trend in the non-residential electricity reconnection rate has mirrored the disconnection rate over the three years to 2012. Similarly, the trend in non-residential gas reconnections over the past five years has also mirrored the disconnection rate.

Figure 12 details the non-residential reconnection rate (the percentage of disconnected customers who are reconnected within seven days) for each retailer. Compared to 2011, the Alinta Energy (gas) and Synergy reconnection rates fell, while Horizon Power's reconnection rate increased. In 2012, Alinta Energy reported reconnecting non-residential electricity customers for the first time.

**Figure 12: Non-residential electricity and gas reconnection percentages by retailer**





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## Complaints

Both the Electricity Customer Code and the Gas Customer Code (**together the Codes**) require retailers to develop, maintain and implement an internal process for handling complaints and resolving disputes that complies with AS ISO 10002 – 2006.<sup>28</sup>

AS ISO 10002 – 2006 defines a complaint as:

An expression of dissatisfaction made to an organisation, related to its products, or the complaints-handling process itself, where a response or resolution is explicitly or implicitly expected.<sup>29</sup>

The Codes also require retailers to comply with any guideline developed by the Authority that distinguishes customer queries from customer complaints. The Authority published the Customer Complaints Guidelines in 2008 to further clarify the distinctions between queries, complaints and other customer communications.

Complaints are further separated into four categories to provide further information about the underlying cause(s) of each complaint:

- **Billing complaints** - includes billing errors, incorrect billing of fees and charges, failure to receive relevant Government rebates, high billing, credit collection, disconnection and reconnection, and restriction due to billing discrepancy.
- **Marketing complaints** - includes advertising campaigns, contract terms, sales techniques and misleading conduct.
- **Transfer complaints** - includes failure to transfer a customer within a certain time period, disruption of supply due to transfer and billing problems directly associated with the transfer (e.g., delay in billing, double billing).
- **Other complaints** - includes poor service, privacy considerations, failure to respond to complaints in a timely manner, health and safety issues, and any other matter not falling into the billing, marketing and transfer categories.

The retailers who supply pre-payment meter customers are required to separately record complaints from these customers in relation to the pre-payment meter service.

A key measure of the effectiveness of the complaints handling process implemented by a retailer is how quickly a complaint is concluded. A complaint is concluded when all of the relevant parts of the retailer's complaints handling process have been exercised in an attempt to resolve the complaint. The Codes require energy retailers to report on the percentage of complaints from residential and non-residential customers that are concluded within 15 business days and 20 business days. For the purposes of complaint handling performance analysis, the Authority benchmarks the proportion of complaints concluded within 15 days.

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<sup>28</sup> Standard AS ISO 10002-2006, Customer satisfaction – Guidelines for complaints handling in organisations.

<sup>29</sup> The Codes have slightly modified this definition by adding the words "or services" immediately after "products" because energy retailers provide a service rather than a product to their customers.

## Residential Complaints

Figure 13 details the total number of residential complaints (per 100 customers) received by electricity and gas retailers. Since 2010, the level of residential complaints made to electricity retailers has been much higher than in the preceding years, which is almost entirely due to the increase in complaints about billing. The increase in the total number of billing complaints is likely to be due to the increases in electricity tariffs over the past three years and, for Synergy customers, the problems that followed the introduction of Synergy's new billing system. However, the total number of electricity complaints in 2012 (0.78 per 100 customers) is significantly lower than in 2011 (1.47 per 100 customers), which is again likely to be attributable to a reduction in the number of billing complaints received by Synergy (Table 15).

The number of complaints made to gas retailers over the past five years has remained in the range 0.09 to 0.21 per 100 customers, with the other complaints category accounting for the majority of the total complaints.

**Figure 13: Residential electricity and gas complaints**

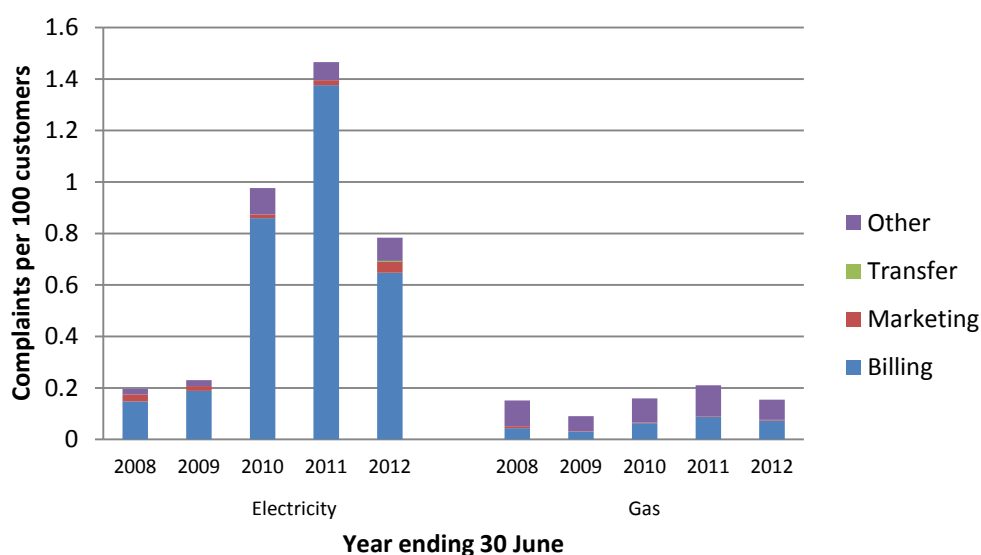


Table 15 shows the number of residential complaints received by electricity and gas retailers in each of the four defined complaint categories during 2011 and 2012.

**Table 15: Residential complaints by retailer (year ending 30 June)**

Retailer	Billing complaints		Marketing complaints		Transfer complaints		Other complaints	
	2011	2012	2011	2012	2011	2012	2011	2012
<b>Electricity</b>								
Horizon Power	42	84	0	0	0	0	58	49
Synergy	12,639	5,928	174	398	0	29	590	789
<b>Electricity Total</b>	<b>12,681</b>	<b>6,012</b>	<b>174</b>	<b>398</b>	<b>0</b>	<b>29</b>	<b>648</b>	<b>838</b>
<b>Gas</b>								
Alinta Energy	537	458	17	18	0	0	744	492
Wesfarmers	0	1	0	0	0	0	0	1
<b>Gas Total</b>	<b>537</b>	<b>459</b>	<b>17</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>744</b>	<b>493</b>

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The number of billing complaints received by Synergy in 2012 was less than half the number received in 2011. The reduction in billing complaints is linked to Synergy continuing to address some of the major issues caused by the changeover to their new billing system in late 2009 and the slowdown in the tariff increases during the 2012 financial year.

Synergy received 29 transfer complaints from customers, which is the first time that any retailer has reported receiving transfer complaints from residential customers.<sup>30</sup> The level of marketing complaints and other complaints received by Synergy during 2012 were also higher than in 2011.

The number of complaints received by Horizon Power during 2012 was up from the previous year, due to an increase in the number of billing complaints.

The number of complaints received by Alinta Energy during 2012 was lower than in 2011, driven by reductions in the number of billing and other complaints.

### **Residential complaint resolution**

Horizon Power reported that, over the past four years, it has concluded 100% of the complaints that it has received from residential customers within 15 business days. Synergy reported an improvement in the percentage of complaints that it has concluded within 15 days: 71.4% in 2012, up from 42.3% in 2011. However, Synergy's 2012 performance is still below that achieved prior to 2011, which exceeded 80%. The improvement in Synergy's complaint conclusion performance corresponds with the significant reduction in the number of complaints received from residential customers.

During the period 2008-2011, Alinta Energy concluded 100% of the complaints it has received within 15 business days. During 2012, the complaint conclusion performance fell slightly to 97.9%.

### **Non-residential Complaints**

Figure 14 details the total number of complaints (per 100 customers) from non-residential customers received by electricity and gas retailers over the five years to 2012.

Comparing Figure 14 with Figure 13 shows the similarity in the complaint trends for residential and non-residential electricity and gas customers. The level of both residential and non-residential electricity complaints has sharply increased over the three years to 2012, whereas the level of gas complaints has remained relatively constant.

Figure 14 shows that the increase in the total number of non-residential complaints received by electricity retailers over the past three years is almost entirely due to increases in the number of billing complaints.

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<sup>30</sup> The Authority does not have any further information about the reasons behind Synergy receiving 29 transfer complaints in 2012.

**Figure 14: Non-residential electricity complaints**

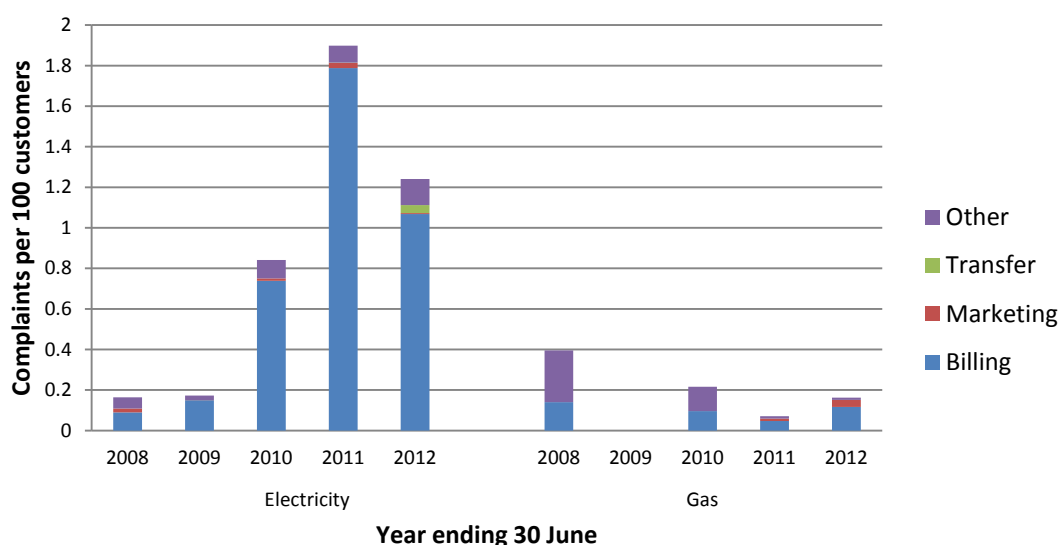


Table 16 shows the number of non-residential complaints received by electricity and gas retailers in each of the four defined complaint categories over the past two years.

**Table 16: Non-residential complaints by retailer (year ending 30 June)**

Retailer	Billing complaints		Marketing complaints		Transfer complaints		Other complaints	
	2011	2012	2011	2012	2011	2012	2011	2012
<b>Electricity</b>								
Alinta Energy	5	17	1	0	0	0	0	0
Horizon Power	16	2	0	0	0	0	21	2
Perth Energy	0	1	0	0	0	0	0	0
Rottnest Island Authority	0	1	0	0	0	0	0	0
Synergy	1,776	1,016	24	5	2	38	63	123
<b>Electricity Total</b>	<b>1,797</b>	<b>1,037</b>	<b>25</b>	<b>5</b>	<b>2</b>	<b>38</b>	<b>84</b>	<b>125</b>
<b>Gas</b>								
Alinta Energy	3	10	1	3	0	0	1	1
Synergy	1	0	0	0	0	0	0	0
<b>Gas Total</b>	<b>4</b>	<b>10</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>

During 2012, the number of non-residential billing complaints received by Synergy was significantly lower than the previous year. This pattern is also repeated for marketing complaints. In contrast, the number of transfer complaints and other complaints increased over the same period, with both reaching five year highs.<sup>31</sup>

Horizon Power reported a significant reduction in the total number of non-residential complaints in 2012, compared to 2011. The reduction is attributable to reductions in the billing and other complaints categories.

During 2012, there were increases in both electricity and gas non-residential complaints received by Alinta Energy, with nearly all the additional complaints relating to billing.

<sup>31</sup> Refer to Table 44 for the five year data.

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## Non-residential complaint resolution

During 2012, there were some differences in the number of complaints concluded by the retailers within 15 days:

- Alinta Energy concluded 94.1% of non-residential electricity and 92.9% of non-residential gas complaints.
- Horizon Power and Rottneest Island Authority concluded 100% of the non-residential complaints.
- Perth Energy did not conclude the single complaint they received.
- Synergy concluded 60.91% of electricity complaints (which is up from the 32.3% achieved in 2011).

## Inter-jurisdictional Comparison of Complaints

Table 17 provides an inter-jurisdictional comparison of the total number<sup>32</sup> of complaints (per 100 customers) received by electricity and gas retailers in other jurisdictions. The relative performance of Western Australian electricity and gas retailers needs to be viewed with caution because the other jurisdictions have full retail contestability. In a contestable market customer transfers can generate a higher number of complaints than in a market operating limited contestability, which is the case in Western Australia.

**Table 17: Inter-jurisdictional comparison of electricity and gas complaints (per 100 customers)**

State	Year ending 30 June				
	2008	2009	2010	2011	2012
<b>Electricity complaints</b>					
NSW	0.4	0.4	0.7	1.0	1.6
SA	0.83	1.26	1.54	2.5	2.7
VIC	1.0	2.22	2.10	4.2	4.7
WA	<b>0.20</b>	<b>0.22</b>	<b>0.96</b>	<b>1.51</b>	<b>0.83</b>
<b>Gas Complaints</b>					
NSW	0.49	0.51	0.97	1.23	1.54
SA	0.48	0.50	0.53	1.47	1.8
VIC	0.43	0.80	0.74	1.18	1.5
WA	<b>0.15</b>	<b>0.09</b>	<b>0.16</b>	<b>0.21</b>	<b>0.15</b>

### Electricity Complaints

The level of complaints received by gas retailers in the other jurisdictions during 2012 followed the pattern for electricity retailers, with across the board increases. Again, Western Australian retailers recorded a reduction in complaints. As was the case for electricity retailers, the largest number of complaints in 2012 related to billing.

Table 17 shows that the total number of complaints received by electricity retailers in South Australia, Victoria and all increased during 2012, compared to 2011, whereas complaints received by Western Australian retailers fell significantly (from the five year

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<sup>32</sup> This is the sum of the residential and non-residential complaints.

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high recorded in 2011). As was the case in 2011, the level of complaints made to Western Australian retailers during 2012 was substantially lower than in the other three jurisdictions. In 2012, the largest number of complaints across all four jurisdictions related to billing.

### *Gas Complaints*

The level of complaints received by gas retailers in the other jurisdictions during 2012 followed the pattern for electricity retailers, with across the board increases. In contrast, Western Australian retailers recorded a reduction in complaints.

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## Call Centre Performance

It is important that retailers are able to provide ready access for customers to contact them about service related issues during business hours. The larger retailers operate call centres which employ multiple customer service agents to handle customer enquiries and complaints.

Smaller retailers offer a simpler telephone service, which is often based on the customer calling their switchboard, which then connects them to the appropriate contact person.

The retailers that have a call centre to handle customer contacts are able to record a range of information about the incoming calls, including performance statistics. Some of the call centres operated by retailers handle other calls in addition to calls about the electricity or gas retail service. Unless the retailer can separately record the statistics for the retail calls from the other calls, the call centre performance reported for retail customers is based on the overall performance of the call centre.

The remainder of this section presents electricity and gas retailer call centre performance in relation to three responsiveness measures:

- Percentage of calls responded to within 30 seconds.
- Average duration before a call is answered, measured in seconds.
- Percentage of unanswered calls.

If the retailer call centre uses Interactive Voice Response equipment to handle calls then the responsiveness measures only apply to those calls where the customer has indicated that they wish to speak to a customer service agent.

## Electricity

Of the five<sup>33</sup> electricity retailers covered by this report, only Perth Energy does not have a call centre. Perth Energy provides telephone support to its customers using simpler telephone systems that do not record performance statistics.

The Horizon Power and Rottneest Island Authority call centres handle calls for both retail and distribution customers without distinguishing retail calls from distribution calls.

Table 18 details the volume of calls to electricity retailer call centres over the past five years. During 2012, the total number of calls to retailer call centres fell, compared to 2011, driven by an 8.6% reduction in the number of calls to Synergy's call centre. Over the same period, the volume of calls to the Alinta Energy and Rottneest Island Authority call centres remained relatively unchanged, while calls to the Horizon Power call centre rose by 16%.

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<sup>33</sup> The sixth electricity retailer, Clear Energy, has not supplied any customers since they were first granted a retail licence.

**Table 18: Volume of calls to electricity retailer call centres**

Retailer	2008	2009	2010	2011	2012
Alinta Energy	2,829	2,861	2,173	2,452	2,426
Horizon Power	85,356	94,018	89,200	71,215	82,587
Rottnest Island Authority	N/A	N/A	1,027	5,272	5,840
Synergy	927,241	919,948	1,257,153	1,439,432	1,315,881
<b>All retailers</b>	<b>1,015,426</b>	<b>1,012,009</b>	<b>1,349,553</b>	<b>1,518,371</b>	<b>1,406,734</b>

Figure 15 details the percentage of calls responded to (answered by a customer service agent) within 30 seconds by electricity retailer call centres. Since commencing their call centre service in 2010, Rottnest Island Authority has recorded the highest call response rate of the four retailers. The other three retailers recorded modest improvements in their call centre responsiveness during 2012, compared with 2011.

**Figure 15: Percentage of electricity retail calls answered within 30 seconds**

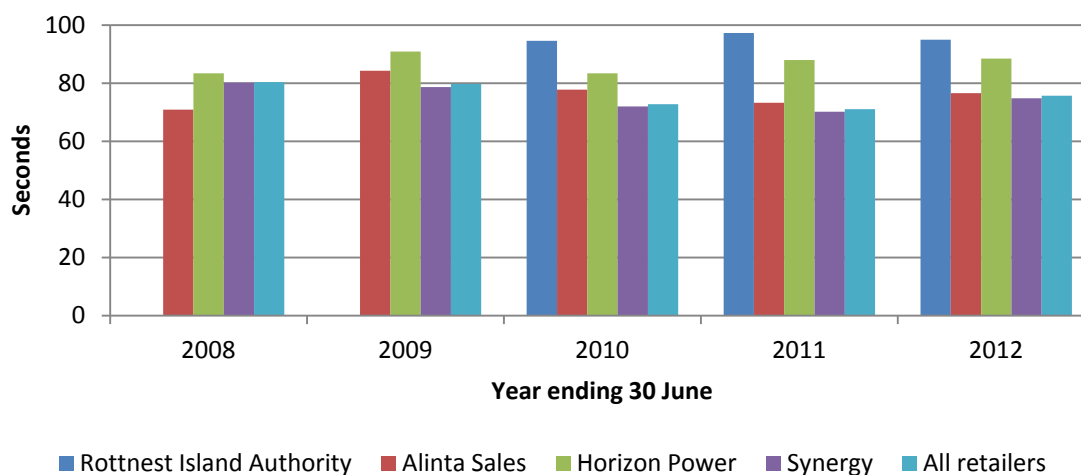


Figure 16 details the average duration before a call is answered by electricity retailers. Comparing Figure 16 with Figure 15 it can be seen that, in general, there is an inverse relationship between the percentage of calls answered within 30 seconds and the average call answer time; shorter call answer times correspond to a higher percentage of calls answered within 30 seconds.

During 2012, the customers of all four retailers did not have to wait as long on average for their call to be answered as in 2011. The average wait time for Synergy’s customers fell by 35% (from 54 seconds in 2011 to 35 seconds in 2012), reversing the trend of the previous two years, where average wait times were over 50 seconds. Synergy attributed a significant proportion of the increase in calls to their call centre during 2010 and 2011 to increased numbers of customer queries and complaints. Comparing Figure 16 with Figure 13, it can be seen that the improvement in wait times corresponds with the reduction in the number of complaints.



The average wait time for Rottnest Island Authority's customers fell by 25% to 12 seconds; the shortest wait time of all four retailers.

**Figure 16: Average duration before a call is answered by electricity retail call centres**

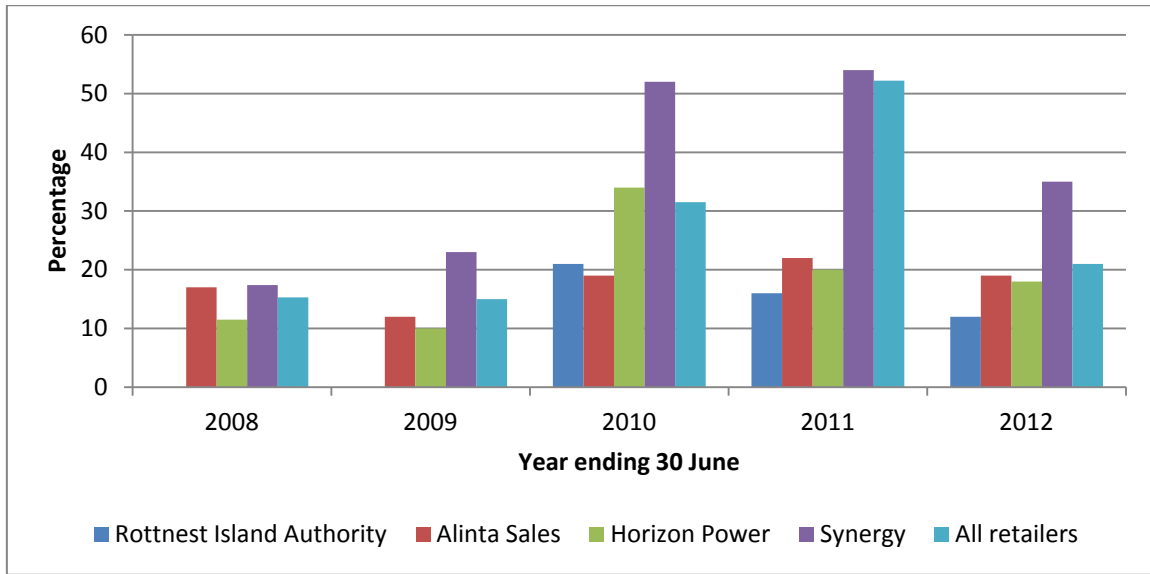
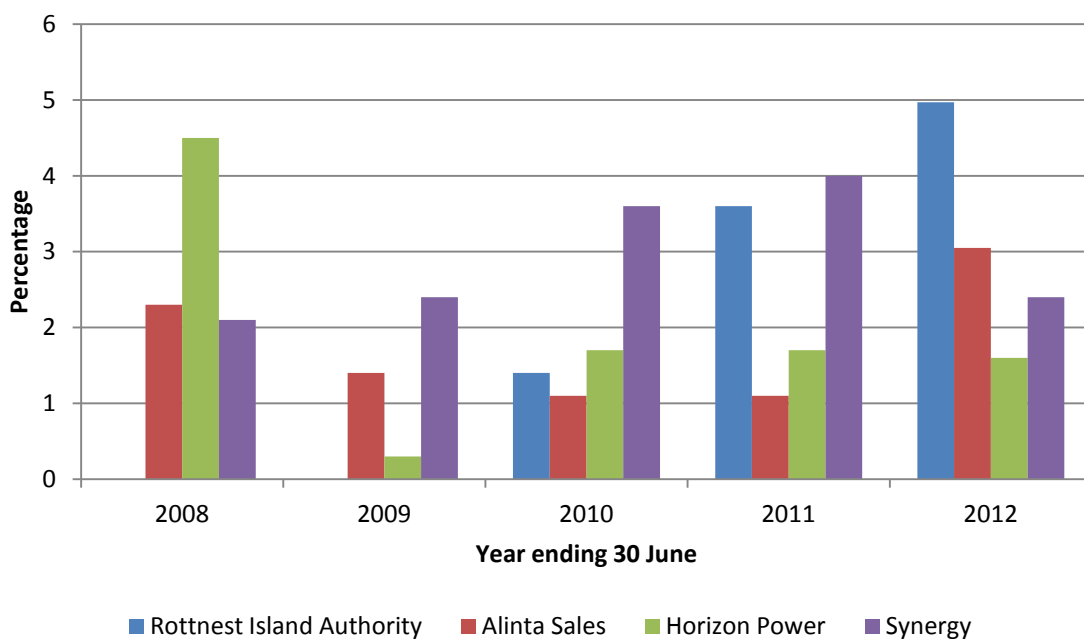


Figure 17 details the percentage of calls that are unanswered (the caller hangs up before the call is answered) by electricity retailers. During 2012, the level of unanswered calls has fallen for all of the electricity retailers except Alinta Sales and Rottnest Island Authority, compared to 2011. The most significant decline in unanswered calls Synergy corresponds with the improvement in the percentage of calls answered within 30 seconds (Figure 16).

**Figure 17: Percentage of calls that are unanswered by electricity retailers**



## Gas

Only two of the five gas retailers, Alinta Energy and Wesfarmers,<sup>34</sup> operate call centres. Synergy and WorleyParsons provide telephone support to their customers using simpler telephone systems that do not record performance statistics and Perth Energy has not supplied any customers since the licence was granted.

Table 19 details the volume of calls to gas retailer call centres over the five years to 2012. The total number of calls to the gas retailers during 2012 was down slightly on 2011. This is the first fall in total annual call volume since 2008. A fall in the number of calls to Alinta Energy was almost offset by an increase in calls to Wesfarmers, who recorded their highest ever call volume in 2012.

**Table 19: Volume of calls to gas retailer call centres**

Retailer	Year ending 30 June				
	2008	2009	2010	2011	2012
Alinta Energy	604,093	606,063	727,524	720,439	686,935
Wesfarmers	147,202	179,119	172,080	190,764	214,280
<b>All retailers</b>	<b>751,295</b>	<b>785,182</b>	<b>899,604</b>	<b>911,203</b>	901,215

Figure 18 details the percentage of calls responded to (answered by a customer service agent) within 30 seconds by gas retailer call centres. The percentage of calls answered within 30 seconds by Wesfarmers fell below 70% for the first time in 2012. This fall corresponds with the 12% increase in call volume, indicating there were insufficient resources available to handle the additional calls.

**Figure 18: Percentage of gas retail calls answered within 30 seconds**



Figure 19 details the average duration before a call is answered by gas retailers. During 2012, the wait time for Alinta Energy's customers fell slightly, while Wesfarmers customers waited longer. The Wesfarmers wait time in 2012 (28 seconds) was the longest it has been over the past five years. The increase in the Wesfarmers wait time further reinforces the Authority's view that there were insufficient resources to answer the increased volume of calls received during 2012.

<sup>34</sup> The calls to the Wesfarmers call centre include calls related to gas retailing, gas distribution and all other Wesfarmers services, which needs to be considered when interpreting the data provided.

**Figure 19: Average duration before a call is answered by gas retailers**

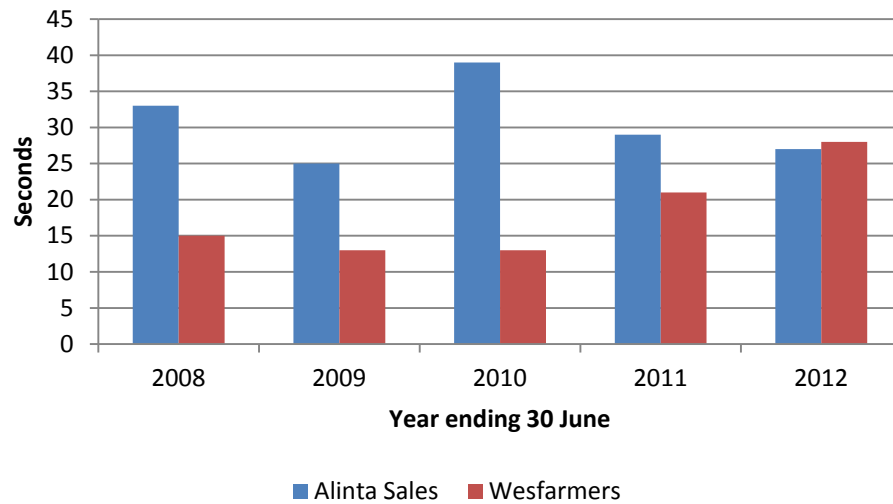
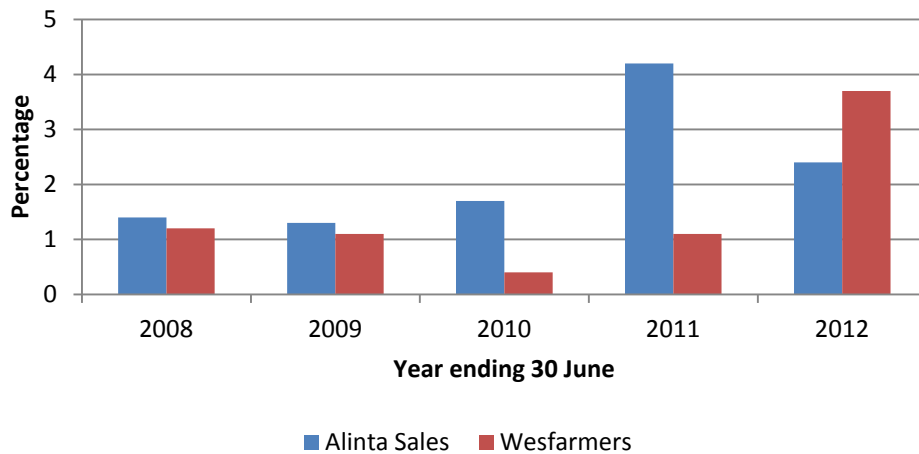


Figure 20 details the percentage of calls that are unanswered (the caller hangs up before the call is answered) by gas retailers. After a large increase in 2011, the percentage of calls unanswered by Alinta Energy has fallen during 2012, which corresponds with the reduction in total call volume (Table 19). Conversely, Wesfarmers reported a large increase (from 1.1% in 2011 to 3.7% in 2012) in the percentage of unanswered calls during 2012.

**Figure 20: Percentage of calls that are unanswered by gas retailers**



## Service Standard Payments

Under the Electricity Code, service standard payments are available for:

- late reconnection, at a rate of \$60 per day up to a maximum of \$300 total (clause 14.1);
- wrongful disconnection, at a rate of \$100 per day (clause 14.2); and
- failure to acknowledge or respond to a customer query or complaint within the prescribed timeframes at a rate of \$20 for each written query or complaint (clause 14.3).

Horizon Power and Synergy were the only retailers that have made service standard payments over the past four years. Table 20 details the number of service standard payments made by Horizon Power and Synergy.

In 2012, the number of service standard payments made by Horizon Power remained relatively unchanged from 2011. The number of service standard payments made by Synergy during 2012 in relation to late reconnection and providing a timely response to customer complaints were substantially less than in 2011. The reduction in the latter corresponds to the decrease in complaints from electricity customers (see Table 15 and Table 16). In contrast, Synergy made more payments for wrongful disconnection in 2012, compared to 2011.

**Table 20: Number of service standard payments made by electricity retailers**

Year ending 30 June	Horizon Power			Synergy		
	Late reconnection	Wrongful disconnection	Timely response to customer complaints	Late reconnection	Wrongful disconnection	Timely response to customer complaints
<b>2008</b>	1	0	0	14	17	10
<b>2009</b>	4	1	0	12	4	3
<b>2010</b>	0	1	0	0	0	0
<b>2011</b>	6	3	0	44	4	24
<b>2012</b>	6	2	0	13	14	1

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## Appendix 1: Background information about energy retailing

### Definition of a customer

Throughout this report, the following definitions of a customer are used:

- Customer - means a **small use** customer account that:
  - consumes less than 1TJ (or approximately \$32,000) of gas per annum, or
  - consumes less than 160MWh (or approximately \$40,000) of electricity per annum.
- Contestable customer - means a customer who is able to choose their retailer. This applies even if there is only a single retailer supplying energy within the supply area:
  - Gas: full retail contestability exists, allowing all customers to choose their retailer. Note however, in the areas supplied by Alinta Energy and Synergy, the Gas Market Moratorium (see page 40) prevents Synergy from supplying customers who consume less than 0.18TJ (or approximately \$6,200) of gas per annum.
  - Electricity: full retail contestability exists outside the South West Interconnected System (**SWIS**)<sup>35</sup>. Within the SWIS, customers who consume less than 50MWh (or approximately \$12,600) of electricity per annum are non-contestable. These customers can only be supplied by Synergy.

### Retail Licence Performance Reporting Obligations

All energy retail licences include obligations for the licensee to provide information to the Authority in respect of the activities covered by the licence. As described below, the Authority has limited the obligation to provide non-financial performance information to those retailers who supply small use customers.

#### *Electricity Licences*

Electricity retail licences include a condition that the licensee must provide to the Authority any information that the Authority may require to fulfil its functions under the *Electricity Industry Act 2004 (Electricity Act)*. The Authority has specified the non-financial performance information that is to be provided by the electricity retail licensees who supply small use customers in the *Electricity Compliance Reporting Manual (Electricity Manual)*, published by the Authority in May 2011. The Electricity Manual incorporates the record keeping requirements of the Electricity Customer Code, which in turn references the 2007 SCORRR Framework.<sup>36</sup>

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<sup>35</sup> South West Interconnected System, which includes the coastal area from Kalbarri to Bremer Bay and the Goldfields.

<sup>36</sup> National Energy Retail Performance Indicators, Utility Regulators Forum Steering Committee on National Regulatory Reporting Requirements – Retail Working Group, May 2007.

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## Gas Licences

Gas trading licences include a condition that the licensee must provide to the Authority any information that the Authority may require to fulfil its functions under the *Energy Coordination Act 1994 (Gas Act)*, and the reporting requirements contained in the Compendium of Gas Licence Obligations (**Gas Customer Code**<sup>37</sup>). The Authority has specified the non-financial performance information that is to be provided by the gas trading licensees who supply small use customers in the Gas Compliance Reporting Manual (**Gas Manual**), published by the Authority in November 2010.<sup>38</sup> The Gas Manual incorporates the record keeping requirements in Gas Customer Code, which in turn references the 2007 SCORRR Framework.

## Standard Form Contracts

### Electricity

Retailers who supply electricity to small use customers are required to have a standard form contract approved by the Authority. The *Electricity Industry (Customer Contracts) Regulations 2005* prescribes the format and content of the standard form contract. This includes a requirement that the standard form contract include pricing information. Section 54A of the Act imposes an obligation on Horizon Power and Synergy to offer a standard form contract to supply small use customers who request supply.

The *Energy Operators (Powers) Act 1979* includes powers for the Governor to approve By-Laws to regulate the tariffs that Horizon Power and Synergy can charge customers. Small use customers, who request supply from Synergy and Horizon Power, must be offered a standard form contract which includes the regulated tariffs. Customers supplied by Horizon Power and Synergy also have the option to contract at regulated tariffs or to negotiate a separate non-standard supply contract.

The other three electricity retailers (Alinta Energy, Perth Energy and Rottnest Island Authority) who supply small use customers are not subject to an obligation to offer to supply, nor to offer regulated tariffs. However, under the *Electricity Industry (Customer Contracts) Regulations 2005* these retailers are required to make pricing information available to customers in their standard form contract.

### Gas

Retailers who supply gas to small use customers are required to develop a standard form contract. The standard form contract must be approved by the Authority. The Authority will only approve a standard form contract if it considers that the contract meets all relevant legal and regulatory requirements.

A retailer and customer may also negotiate terms and conditions different from the retailer's standard form contract. This is referred to as a non-standard contract. Although a non-standard contract does not require Authority's approval, it must still comply with the relevant legislation.

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<sup>37</sup> The Compendium of Gas Customer Licence Obligations (Gas Customer Code) is made by the Authority pursuant to section 11M and Schedule 1A of the Act.

<sup>38</sup> Gas Compliance Reporting Manual, which can be found on the Authority's website: <http://www.erawa.com.au/licensing/gas-licensing/regulatory-guidelines/>

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The *Energy Coordination (Gas Tariffs) Regulations 2000* require retailers who wish to supply customers in the areas supplied by the ATCO Gas Australia distribution networks (that cover over 99% of gas customers in the State) to have at least one capped tariff for the supply area. Retailers are also required to offer to supply a new standard form contract customer at a capped tariff.

## Supplier of Last Resort

Under section 68(1) of the Electricity Industry Act 2004, the Authority can designate supply areas for which there is to be an electricity supplier of last resort plan. In the event that a licensed electricity retailer exits the market and is unable to supply existing customers, the nominated SoLR is required to supply electricity to affected customers. The SWIS has been designated a SoLR area, with Synergy nominated as the SoLR.

Under Part 2A, Division 6A of the Gas Act, the Authority must ensure that for each gas supply area in which there is small use customers, there is at all times a last resort supply plan that has been approved or determined by the Authority. The Authority may designate any holder of a gas trading licence in the supply area as a supplier of last resort. At present, no retailer has been nominated by the Authority as a SoLR.

## Review of the Electricity Customer Code

Under section 88 of the Electricity Act, the Electricity Code Consultative Committee (**ECCC**) must carry out a review of the Electricity Customer Code as soon as practicable after the first anniversary of its commencement and then every two years. The ECCC has completed reviews of the Electricity Customer Code in 2007 and 2009. The most recent review of the Electricity Customer Code commenced in September 2011 and the ECCC delivered its final report on the review (Final Review Report) to the Authority in April 2012.

The Authority considered the Final Review Report and released a Draft Decision regarding its decision to accept all of the ECCC's recommendations in the Final Review Report and to propose some additional recommendations. As required by the Act, the Authority referred its Draft Decision to the ECCC for further advice.

The ECCC sought public comment on the Code amendments proposed by the Authority in its Draft Decision and provided its advice to the Authority on 11 July 2012. The Authority agreed with the ECCC's advice and issued its Final Decision on the amendments to the Code on 20 July 2012. A copy of the Authority's Final Decision and the new Code is available on the Authority's website.<sup>39</sup>

The new Electricity Customer Code commenced operation on 1 January 2013.

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<sup>39</sup> <http://www.erawa.com.au/licensing/electricity-licensing/codes/2011-review-of-the-code-of-conduct-for-the-supply-of-electricity-to-small-use-customers/>

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## Appendix 2: The development of the Western Australian energy market

Historically, the Western Australian energy sector for small use customers has been dominated by government owned monopoly utilities. The State Energy Commission of Western Australia (**SECWA**) was established on 1 January 1975 as an amalgamation of the State Electricity Commission of Western Australia (established in 1945) plus the Fuel and Power Commission.

On 1 January 1995 SECWA was split into separate gas and electricity utilities: AlintaGas and Western Power Corporation. Both of these entities have subsequently been disaggregated further into businesses that focus on particular segments of the market. The following sections provide further details of the disaggregation in the electricity and gas markets.

### Electricity market development

In 2006, the Government restructured Western Power Corporation into four new statutory Corporations:

- Electricity Networks Corporation (t/a Western Power): operates the transmission and distribution network in the South West Interconnected System (**SWIS**);
- Electricity Retail Corporation (t/a Synergy): retails electricity within the SWIS;
- Regional Power Corporation (t/a Horizon Power): vertically integrated electricity business that operates in areas of the State outside the SWIS; and
- Electricity Generation Corporation (t/a Verve Energy): operates the former Western Power generation facilities.

The restructuring of the former Western Power Corporation followed the deregulation of electricity supply in the State, with the passing into law of the Electricity Act. The Electricity Act includes provisions for the licensing of electricity supply and in particular, Part 2 of the Electricity Act sets out the provisions pertaining to the licensing scheme for electricity service providers. The Electricity Act prescribes five classes of electricity licence:

- a) Distribution – construct and operate electricity distribution networks.
- b) Generation – construct and operate electricity generation plant.
- c) Retail – sell electricity to customers.
- d) Transmission – construct and operate electricity transmission networks.
- e) Integrated Regional – undertake one or more of the activities listed in (a) to (d) above.

Appendix 4 (figure 1) details the 40 areas of the State that are subject to an electricity retail licence, or an integrated regional licence, issued by the Authority as at 30 June 2012.<sup>40</sup>

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<sup>40</sup> Details of electricity licenses can be found on the Authority's web site:  
[http://www.era.wa.gov.au/2/245/51/licence\\_holders.pm](http://www.era.wa.gov.au/2/245/51/licence_holders.pm)



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From 1 January 2005, the Government introduced measures to make all electricity customers within the SWIS who consume 50MWh or more of electricity per annum at a connection point on the distribution network eligible to choose their electricity retailer. This created two classes of small use customer in the SWIS:

- Contestable customers: consume 50-160MWh of electricity per annum.
- Non-contestable customers: consume <50MWh of electricity per annum.

Non-contestable customers in the SWIS are currently are only supplied by Synergy.<sup>41</sup>

Across the State, customers who consume more than 160MWh of electricity per annum are also contestable customers, but these customers are not covered by the Electricity Customer Code.

## Electricity Retail Contestability

Section 55 of the *Electricity Corporations Act 2005* requires that the Government review the introduction of full retail contestability (**FRC**) by April 2009. The WA Office of Energy undertook a review to assess:

- electricity tariff arrangements to make tariffs more cost reflective, promote competition and to examine the merits of time of use tariffs and critical peak pricing;
- the costs and benefits associated with the implementation of FRC in Western Australia; and
- the costs and benefits associated with the rollout of smart meters.

The Office of Energy has stated that the rollout of smart meters and the introduction of FRC will be the subject of a separate consultation process to that used to assess electricity tariff arrangements.

## Gas Retail Contestability

The Western Australian government introduced full retail contestability to the gas retail market on 31 May 2004. Unlike in electricity, all gas network infrastructure and gas retailing in Western Australia is being undertaken by privately owned businesses, with the exception of Synergy, which is owned by the State Government.

Gas licensing is regulated by the *Energy Coordination Act 1994 (Gas Act)*. Part 2A of the Gas Act deals with the licensing of gas supply. The functions of the Authority<sup>42</sup> in respect of licensing are to:

- administer the licensing scheme;
- monitor and report to the Minister for Energy on the operation of the licensing scheme and the compliance of licensees with their licences; and

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<sup>41</sup> In May 2010, Clear Energy was granted a licence to retail electricity to customers, including customers consuming less than 50MWh per annum, within the SWIS area. However, they have not supplied electricity to customers since the licence was granted.

<sup>42</sup> Section 11AA of the Act.

- 
- inform the Minister of any failure by a licensee to meet the requirements of its licence.

The Act prescribes two classes of gas supply licence:

- a) Distribution - which authorises the licensee to construct a distribution system and transport gas through it, or to transport gas through an existing distribution system.<sup>43</sup>
- b) Trading - which authorises the licensee to sell gas to small use customers that is transported through a distribution system.

Gas trading licences permit the retailer<sup>44</sup> to supply gas in one or more supply areas, or one or more parts of one or more supply areas. Appendix 4 (figure 2) shows the eight<sup>45</sup> gas supply areas in the State and the locations of gas trading operations that were licensed by the Authority as at 30 June 2011.

## Gas Market Moratorium

Synergy entered the small use gas retail market in July 2007. This followed the changes to the Gas Market Moratorium (**Moratorium**)<sup>46</sup> that reduced the contestable customer consumption threshold applying to Synergy from 1TJ to 0.18TJ per annum. The purpose of the Moratorium is to provide equity, in the absence of full retail contestability,<sup>47</sup> between the small use electricity market in areas supplied by Synergy<sup>48</sup> and the gas market in areas supplied by Alinta Energy.

All customers who consume less than 1TJ of gas are contestable customers. In the areas supplied by both Alinta Energy and Synergy, the Moratorium prevents Synergy from supplying customers who consume less than 0.18TJ (or 180GJ) of gas. The Moratorium does not extend to other retailers supplying customers in the areas that are supplied by Alinta Energy.

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<sup>43</sup> This report uses the term distribution network to describe a distribution system, which is consistent with the approach used to describe electricity distribution systems.

<sup>44</sup> Note that for the purposes of this report, the terms 'gas trader' and 'gas retailer' are interchangeable.

<sup>45</sup> Figure 2 shows the Albany area separately, however, this forms part of the Great Southern gas supply area.

<sup>46</sup> More information on the Gas Market Moratorium and related issues can be found on the Office of Energy's website: [http://www.energy.wa.gov.au/2/3177/64/gas\\_market\\_mora.pm](http://www.energy.wa.gov.au/2/3177/64/gas_market_mora.pm)

<sup>47</sup> As discussed earlier in this report, the Government introduced market reforms to the Western Australian gas retail market on 31 May 2004. These reforms included the introduction of practical full retail contestability. Achieving full retail contestability means that all of the legal and technical requirements are now in place to allow new gas companies to enter the marketplace, thereby providing retail choice for all gas customers in the State.

<sup>48</sup> Synergy is the only retailer permitted to supply small use customers who consume less than 50MWh of electricity per annum within its supply area.

## Appendix 3: Additional Retailer Performance Information

**Table 21: Number of electricity customers by retailer (year ending 30 June)**

	Residential customers						Non-residential customers						
	2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012	
Alinta Energy	0	0	0	0	0	0	Alinta Energy	934	850	922	903	1447	1449
Horizon Power	30,126	31,000	31,475	30,595	30,371	34,037	Horizon Power	5,242	5,630	5,905	7,249	7,159	7,939
Perth Energy <sup>49</sup>	0	0	0	0	0	0	Perth Energy	105	204	374	568	32	68
Rottneest Island Authority <sup>50</sup>	74	66	91	85	85	0	RIA	24	33	100	90	90	25
Synergy	809,664	829,305	848,312	850,790	890,918	894,804	Synergy	82,350	83,590	84,315	91,366	91,763	87,650
<b>State Total</b>	<b>839,864</b>	<b>860,371</b>	<b>879,878</b>	<b>881,470</b>	<b>921,374</b>	<b>928,841</b>	<b>State Total</b>	<b>88,655</b>	<b>90,307</b>	<b>91,616</b>	<b>100,176</b>	<b>100,491</b>	<b>97,131</b>

**Table 22: Number of gas customers by retailer (year ending 30 June)**

	Residential customers						Non-residential customers						
	2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012	
Alinta Energy	553,129	565,131	584,035	603,943	615,717	628,328	Alinta Energy	8,399	7,707	8,024	8,191	8,359	8,468
Synergy	0	0	0	0	0	0	Synergy	N/A	97	98	112	119	112
Wesfarmers	N/A	772	812	433	455	535	Wesfarmers	N/A	19	19	2	1	1
Worley-Parsons	N/A	181	211	233	259	279	Worley-Parsons	N/A	28	31	33	34	31
<b>State Total</b>	<b>553,129</b>	<b>566,084</b>	<b>585,058</b>	<b>604,609</b>	<b>616,431</b>	<b>629,142</b>	<b>State Total</b>	<b>8,339</b>	<b>7,851</b>	<b>8,172</b>	<b>8,338</b>	<b>8,513</b>	<b>8,612</b>

<sup>49</sup> Perth Energy has informed the Authority that it had incorrectly reported customer numbers prior to 2012. Corrected numbers have been provided for 2011.

<sup>50</sup> RIA has informed the Authority that it had incorrectly reported customer numbers prior to 2012, which has resulted in significant changes to the 2012 customer numbers.

**Table 23: Contestable and non-contestable residential electricity customers by retailer (year ending 30 June)**

	Contestable						Non-contestable				
	2008	2009	2010	2011	2012		2008	2009	2010	2011	2012
Alinta Energy	0	0	0	0	0	Alinta Energy	0	0	0	0	0
Horizon Power	697	685	30,595	30,371	34,037	Horizon Power <sup>1</sup>	30,303	30,790	0	0	0
Perth Energy	0	0	0	0	0	Perth Energy	0	0	0	0	0
Synergy	4,821	4,844	4,227	1,095	1,749	Synergy	824,484	843,468	846,563	889,823	893,055
Rottnest Island Authority	0	0	0	0	0	Rottnest Island Authority	66	91	85	85	22 <sup>51</sup>
<b>State Total</b>	<b>5,518</b>	<b>5,529</b>	<b>34,822</b>	<b>31,466</b>	<b>35,789</b>	<b>State Total</b>	<b>854,853</b>	<b>874,349</b>	<b>846,648</b>	<b>889,908</b>	<b>893,077</b>

**Table 24: Contestable and non-contestable residential gas customers by retailer (year ending 30 June)**

	Contestable						Non-contestable				
	2008	2009	2010	2011	2012		2008	2009	2010	2011	2012
Alinta Energy	565,131	584,035	603,687	615,717	628,328	Alinta Energy	0	0	0	0	0
Synergy	0	0	0	0	0	Synergy	0	0	0	0	0
Wesfarmers	0	316	433	455	535	Wesfarmers	734	496	0	0	0
WorleyParsons	181	211	233	259	279	WorleyParsons	0	0	0	0	0
<b>State Total</b>	<b>565,312</b>	<b>584,562</b>	<b>604,353</b>	<b>616,431</b>	<b>629,142</b>	<b>State Total</b>	<b>734</b>	<b>496</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>51</sup> RIA has advised the Authority that it had misinterpreted the definition of a customer and this figure has been over reported during previous years.

**Table 25: Contestable and non-contestable non-residential electricity customers by retailer (year ending 30 June)**

	Contestable					Non-contestable					
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012	
Alinta Energy	1,650	922	903	1,447	1,449	Alinta Energy	0	0	0	0	0
Horizon Power	1,047	1,116	1,375	1,354	7,939	Horizon Power	4,583	4,789	5,874	5,805	0
Perth Energy	0	0	0	0	0	Perth Energy	0	0	0	0	0
Synergy	12,382	12,213	9,032	8,781	7,849	Synergy	71,208	72,102	82,334	82,982	79,801
Rottnest Island Authority	0	8	7	7	3	Rottnest Island Authority	33	92	83	83	22
<b>State Total</b>	<b>15,079</b>	<b>14,259</b>	<b>11,317</b>	<b>11,589</b>	<b>17,240</b>	<b>State Total</b>	<b>75,824</b>	<b>76,983</b>	<b>88,291</b>	<b>88,870</b>	<b>79,823</b>

**Table 26: Contestable and non-contestable non-residential gas customers by retailer (year ending 30 June)**

	Contestable					Non-contestable					
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012	
Alinta Energy	3,205	2,583	6,340	8,359	8,468	Alinta Energy	7,026	7,684	0	0	0
Synergy	97	98	112	119	112	Synergy	0	0	0	0	0
Wesfarmers	13	2	2	1	1	Wesfarmers <sup>3</sup>	0	18	0	0	0
WorleyParsons	28	31	33	34	31	WorleyParsons	0	0	0	0	0
<b>State Total</b>	<b>3,343</b>	<b>2,714</b>	<b>6,487</b>	<b>8,513</b>	<b>8,612</b>	<b>State Total</b>	<b>7,026</b>	<b>7,684</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 27: Residential energy customers on instalment plans (year ending 30 June)**

Retailer	Number					% of customers				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
<b><i>Electricity</i></b>										
Horizon Power	1,491	1,371	1,134	566	1,848	4.8%	4.4%	3.7%	1.9%	5.4%
Synergy	20,267	21,314	13,229	30,893	34,026	2.4%	2.5%	1.6%	3.5%	3.8%
<b>Electricity Total</b>	<b>21,758</b>	<b>22,658</b>	<b>14,363</b>	<b>31,459</b>	<b>35,874</b>	<b>2.5%</b>	<b>2.6%</b>	<b>1.6%</b>	<b>3.4%</b>	<b>3.9%</b>
<b><i>Gas</i></b>										
Alinta Energy	15,541	18,832	10,031	9,890	8,622	2.8%	3.3%	1.7%	1.6%	1.4%
Wesfarmers	0	11	10	13	20	0.0%	1.4%	1.2%	3.0%	3.7%
WorleyParsons <sup>1</sup>	8	18	17	15	48	4.4%	8.5%	8.1%	6.4%	17.2%
<b>Gas Total</b>	<b>15,549</b>	<b>18,861</b>	<b>10,058</b>	<b>9,918</b>	<b>8,690</b>	<b>2.8%</b>	<b>3.3%</b>	<b>1.7%</b>	<b>1.6%</b>	<b>1.4%</b>

**Table 28: Non-residential energy customers on instalment plans (year ending 30 June)**

Retailer	Number					Per 100 customers				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
<b><i>Electricity</i></b>										
Alinta Energy	0	0	8	27	32	0.0	0.0	0.9	1.9	0.3
Horizon Power	77	59	286	98	120	1.4	1.0	3.9	1.4	2.8
Synergy	849	881	545	920	977	1.0	1.0	0.6	0.9	1.1
<b>Electricity Total</b>	<b>926</b>	<b>940</b>	<b>839</b>	<b>1,045</b>	<b>1,129</b>	<b>1.0</b>	<b>1.0</b>	<b>0.8</b>	<b>1.0</b>	<b>0.9</b>
<b><i>Gas</i></b>										
Alinta Energy	43	44	44	23	25	0.5	0.6	0.5	0.3	0.3
Synergy	0	0	0	14	3	0.0	0.0	0.0	12.5	2.7
Wesfarmers	0	1	0	0	0	0.0	5.3	0.0	0.0	0.0
WorleyParsons	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
<b>Gas Total</b>	<b>43</b>	<b>45</b>	<b>44</b>	<b>37</b>	<b>28</b>	<b>0.5</b>	<b>0.6</b>	<b>0.5</b>	<b>0.4</b>	<b>0.3</b>

**Table 29: Residential and non-residential electricity customers who have been granted additional time to pay a bill (year ending 30 June)**

Retailer	Number					Per 100 customers				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
<b>Residential</b>										
Horizon Power	2,924	3,138	4,589	7,790	13,022	9.4	10.0	15.0	25.6	38.3
Synergy	54,102	68,158	82,223	96,148	90,262	6.5	8.0	9.7	10.8	10.1
<b>Residential Total</b>	<b>57,026</b>	<b>71,296</b>	<b>86,812</b>	<b>103,938</b>	<b>103,284</b>	<b>6.6</b>	<b>8.1</b>	<b>9.8</b>	<b>11.3</b>	<b>11.1</b>
<b>Non-residential</b>										
Alinta Energy	25	37	45	48	0	2.9	4.0	5.0	3.3	0.0
Horizon Power	195	212	736	1,372	1,573	3.5	3.6	10.2	19.2	19.8
Synergy	2,086	2,131	7,411	6,867	8,069	2.5	2.5	8.1	7.5	9.2
<b>Non-residential Total</b>	<b>2,306</b>	<b>2,380</b>	<b>8,192</b>	<b>8,287</b>	<b>9,642</b>	<b>2.6</b>	<b>2.6</b>	<b>8.2</b>	<b>8.2</b>	<b>10.1</b>

**Table 30: Residential and non-residential energy customers with direct debit plans terminated as result of default (year ending 30 June)**

Retailer	2008		2009		2010		2011		2012	
	Residential	Non-residential	Residential	Non-residential	Residential	Non-residential	Residential	Non-residential	Residential	Non-residential
<b>Electricity</b>										
Synergy	84	0	202	8	2,087	93	3,925	100	4,164	134
<b>Gas</b>										
Alinta Energy	540	36	697	41	624	2	642	1	512	2
Synergy	0	0	0	0	0	1	0	0	0	0



**Table 31: Residential energy customers disconnected for a failure to pay a bill (year ending 30 June)**

	Number						Per 100 customers					
	2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012
<b>Electricity</b>												
Horizon Power	2,302	1,793	615	604	664	328	7.64	5.78	1.95	1.97	2.19	0.96
Synergy	6,535	4,833	4,188	2,744	7,631	7,723	0.81	0.58	0.49	0.32	0.86	0.86
<b>Electricity Total</b>	<b>8,837</b>	<b>6,626</b>	<b>4,803</b>	<b>3,348</b>	<b>8,295</b>	<b>8,051</b>	<b>1.05</b>	<b>0.77</b>	<b>0.55</b>	<b>0.38</b>	<b>0.90</b>	<b>0.87</b>
<b>Gas</b>												
Alinta Energy	-	12,942	16,803	17,223	10,841	9,557	-	2.29	2.88	2.85	1.76	1.52
WorleyParsons	-	4	2	9	7	0	-	2.21	0.95	3.86	2.70	-
<b>Gas Total</b>	<b>-</b>	<b>12,946</b>	<b>16,805</b>	<b>17,232</b>	<b>10,848</b>	<b>9,557</b>	<b>-</b>	<b>2.29</b>	<b>2.87</b>	<b>2.85</b>	<b>1.76</b>	<b>1.52</b>

**Table 32: Non-residential energy customers disconnected for a failure to pay a bill (year ending 30 June)**

	Number						Per 100 customers					
	2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012
<b>Electricity</b>												
Alinta Energy	-	1	0	0	0	10	-	0.1	0.0	0.0	0.0	0.14
Horizon Power	39	44	33	132	19	11	0.74	0.78	0.56	1.82	0.27	0.15
Synergy	239	144	165	183	499	436	0.29	0.17	0.20	0.20	0.54	0.50
<b>Electricity Total</b>	<b>278</b>	<b>188</b>	<b>198</b>	<b>315</b>	<b>518</b>	<b>459</b>	<b>0.31</b>	<b>0.21</b>	<b>0.22</b>	<b>0.31</b>	<b>0.51</b>	<b>0.47</b>
<b>Gas</b>												
Alinta Energy	-	117	132	158	86	97	-	1.52	1.65	1.93	1.03	1.15
<b>Gas Total</b>	<b>-</b>	<b>117</b>	<b>132</b>	<b>158</b>	<b>86</b>	<b>97</b>	<b>-</b>	<b>1.49</b>	<b>1.62</b>	<b>1.89</b>	<b>1.01</b>	<b>1.14</b>

**Table 33: Additional residential electricity disconnection indicators (year ending 30 June)**

	Number						Percentage of disconnections					
	2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012
<b><i>Previously the subject of an instalment plan</i></b>												
Horizon Power	573	408	165	138	214	135	24.9	22.8	26.8	22.8	32.2	41.2
Synergy	1,604	816	882	711	1,993	2,342	24.5	16.9	21.1	25.9	26.1	30.3
<b>Total</b>	<b>2,177</b>	<b>1,224</b>	<b>1,047</b>	<b>849</b>	<b>2,207</b>	<b>2,447</b>	<b>24.6</b>	<b>18.5</b>	<b>21.8</b>	<b>25.4</b>	<b>26.6</b>	<b>30.4</b>
<b><i>Disconnected at the same supply address within the past 24 months</i></b>												
Horizon Power	780	583	231	55	153	62	33.9	32.5	37.6	9.1	23.0	18.9
Synergy	889	540	550	200	858	1,546	13.6	11.2	13.1	7.3	11.2	20.0
<b>Total</b>	<b>1,669</b>	<b>1,123</b>	<b>781</b>	<b>255</b>	<b>1,011</b>	<b>1,608</b>	<b>18.9</b>	<b>17.0</b>	<b>16.3</b>	<b>7.6</b>	<b>12.2</b>	<b>20.0</b>
<b><i>Concession card holders</i></b>												
Horizon Power	217	198	114	19	68	57	9.4	11.0	18.5	3.1	10.2	17.4
Synergy	1,250	797	805	1,066	2,189	2,369	19.1	16.5	19.2	38.9	28.7	30.7
<b>Total</b>	<b>1,467</b>	<b>995</b>	<b>919</b>	<b>1,085</b>	<b>2,157</b>	<b>2,426</b>	<b>16.6</b>	<b>15.0</b>	<b>19.1</b>	<b>32.4</b>	<b>26.0</b>	<b>30.1</b>

**Table 34: Additional residential gas disconnection indicators (year ending 30 June)**

	Number						Percentage of disconnections					
	2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012
<b><i>Previously the subject of an instalment plan</i></b>												
Alinta Energy	-	524	449	274	151	351	-	4.1	2.7	1.6	1.4	3.7
WorleyParsons	-	1	2	1	0	0	-	25.0	100.0	11.1	0.0	0.0
<b>Total</b>	<b>-</b>	<b>525</b>	<b>449</b>	<b>275</b>	<b>151</b>	<b>351</b>	<b>-</b>	<b>4.1</b>	<b>2.7</b>	<b>1.6</b>	<b>1.4</b>	<b>3.7</b>
<b><i>Disconnected at the same supply address within the past 24 months</i></b>												
Alinta Energy	-	4,662	6,636	7,784	2,946	1,960	-	36.0	39.5	45.2	27.2	20.5
WorleyParsons	-	2	- <sup>52</sup>	0	3	0	-	50.0	-	0.0	20.5	0.0
<b>Total</b>	<b>-</b>	<b>4,664</b>	<b>6,636</b>	<b>7,784</b>	<b>2,949</b>	<b>1,960</b>	<b>-</b>	<b>36.0</b>	<b>39.5</b>	<b>45.2</b>	<b>27.2</b>	<b>20.5</b>

**Table 35: Inter-jurisdictional comparison of residential electricity disconnections (per 100 customers)<sup>53</sup>**

Year ending 30 June	New South Wales	South Australia	Victoria	Western Australia
2007	0.70	0.76	0.33	<b>0.97</b>
2008	0.60	0.85	0.29	<b>0.77</b>
2009	0.60	0.87	0.43	<b>0.55</b>
2010	0.60	0.66	0.59	<b>0.38</b>
2011	0.61	1.01	0.77	<b>0.90</b>
2012	0.80	1.35	1.02	<b>0.87</b>

<sup>52</sup> Data for 2009 has been removed from the table because of an error identified by the Authority.

<sup>53</sup> Previous reports have included data for Tasmania, but this has been removed because the Tasmanian definition of a small use customer has a 150MWh per annum consumption limit rather than the 180MWh limit used in New South Wales, South Australia, Victoria and Western Australia.

**Table 36: Residential energy customers reconnected at same supply address within 7 days of disconnection (year ending 30 June)**

	Number						Percentage of disconnections					
	2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012
<b>Electricity</b>												
Horizon Power	1,236	826	350	145	120	55	53.7	46.1	56.9	24.0	18.1	16.8
Synergy	3,008	2,273	1,173	718	4,366	4,530	48.2	47.0	28.0	26.2	57.2	58.7
<b>Electricity Total</b>	<b>4,244</b>	<b>3,099</b>	<b>1,523</b>	<b>863</b>	<b>4,486</b>	<b>4,585</b>	<b>48.0</b>	<b>46.8</b>	<b>31.7</b>	<b>25.8</b>	<b>54.1</b>	<b>56.9</b>
<b>Gas</b>												
Alinta Energy	-	9,553	13,153	11,028	2,615	3,236	-	73.8	78.3	64.0	24.1	33.9
WorleyParsons	-	0	0	1	0	0	-	0.0	0.0	11.1	0.0	0.0
<b>Gas Total</b>	<b>-</b>	<b>9,553</b>	<b>13,153</b>	<b>11,029</b>	<b>2,615</b>	<b>3,236</b>	<b>-</b>	<b>73.8</b>	<b>78.3</b>	<b>64.0</b>	<b>24.1</b>	<b>33.9</b>

Table 37: Additional residential electricity reconnection indicators (year ending 30 June)

	Number						Percentage of disconnections					
	2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012
<b><i>Previously the subject of an instalment plan</i></b>												
Horizon Power	-	277	98	54	46	38	-	15.5	15.9	8.9	6.9	11.6
Synergy	-	424	445	566	1,805	2,073	-	8.8	10.6	20.6	23.7	26.8
<b>Total</b>	-	<b>701</b>	<b>543</b>	<b>620</b>	<b>1,851</b>	<b>2,111</b>	-	<b>10.6</b>	<b>11.3</b>	<b>18.5</b>	<b>22.3</b>	<b>26.2</b>
<b><i>Reconnected at the same supply address within the past 24 months</i></b>												
Horizon Power	-	183	42	6	24	13	-	10.2	6.8	1.0	3.6	4.0
Synergy	-	189	133	111	544	1,048	-	3.9	3.2	4.1	7.1	13.6
<b>Total</b>	-	<b>372</b>	<b>175</b>	<b>117</b>	<b>568</b>	<b>1,061</b>	-	<b>5.6</b>	<b>3.6</b>	<b>3.5</b>	<b>6.8</b>	<b>13.2</b>
<b><i>Concession card holders</i></b>												
Horizon Power	-	168	96	6	21	14	-	9.4	15.6	1.0	3.2	4.3
Synergy	-	545	530	681	1,512	1,565	-	11.3	12.7	24.8	19.8	20.3
<b>Total</b>	-	<b>713</b>	<b>626</b>	<b>687</b>	<b>1,533</b>	<b>1,579</b>	-	<b>10.8</b>	<b>13.0</b>	<b>20.5</b>	<b>18.5</b>	<b>19.6</b>

**Table 38: Additional residential gas reconnection indicators (year ending 30 June)**

	Number						Percentage of disconnections <sup>54</sup>					
	2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012
<b><i>Previously the subject of an instalment plan</i></b>												
Alinta Energy	-	502	230	284	147	156	-	3.9	1.4	1.7	1.4	1.6
WorleyParsons	-	0	0	1	0	0	-	0	0	11.1	0	0
<b>Total</b>	-	<b>502</b>	<b>230</b>	<b>285</b>	<b>147</b>	<b>156</b>	-	<b>3.9</b>	<b>1.4</b>	<b>1.7</b>	<b>1.4</b>	<b>1.6</b>
<b><i>Disconnected at the same supply address within the past 24 months</i></b>												
Alinta Energy	-	3,874	5,640	2,546	573	491	-	30.0	33.6	14.8	5.3	5.1
WorleyParsons	-	0	1	0	0	0	-	0	50	0	0	0
<b>Total</b>	-	<b>3,874</b>	<b>5,641</b>	<b>2,546</b>	<b>573</b>	<b>491</b>	-	<b>30.0</b>	<b>33.6</b>	<b>14.8</b>	<b>5.3</b>	<b>5.1</b>

## Notes:

1. The data in the 2009/10 gas retailers report showed a greater number of reconnections than there had been disconnections. This was clearly an error.

<sup>54</sup> The Authority has corrected errors in the calculations of the percentage of disconnections in table 37 for the years prior to 2012.

**Table 39: Non-residential energy customers reconnected at same supply address within 7 days of disconnection (year ending 30 June)**

	Number						Percentage of disconnections					
	2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012
<b>Electricity</b>												
Alinta Sales	-	0	0	0	0	9	-	0.0	0.0	0.0	0.0	81.8
Horizon Power	16	16	9	44	1	1	41.0	36.4	27.3	33.3	5.3	8.3
Synergy	78	56	39	49	218	154	32.6	38.9	23.6	26.8	43.7	35.3
<b>Electricity Total</b>	<b>94</b>	<b>72</b>	<b>48</b>	<b>93</b>	<b>219</b>	<b>1164</b>	<b>33.8</b>	<b>38.3</b>	<b>24.2</b>	<b>29.5</b>	<b>42.3</b>	<b>35.7</b>
<b>Gas</b>												
Alinta Energy	-	32	42	67	41	31	-	27.4	31.8	42.4	47.7	32.0
<b>Gas Total</b>	<b>-</b>	<b>32</b>	<b>42</b>	<b>67</b>	<b>41</b>	<b>31</b>	<b>-</b>	<b>27.4</b>	<b>31.8</b>	<b>42.4</b>	<b>47.7</b>	<b>32.0</b>

**Table 40: Residential energy complaints (year ending 30 June)**

Retailer	Number					Per 100 customers				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
<b>Electricity</b>										
Horizon Power	195	124	174	100	133	0.63	0.40	0.57	0.33	0.39
Synergy	1,490	1,903	8,432	13,403	7,144	0.18	0.22	0.99	1.50	0.79
<b>Electricity Total</b>	<b>1,685</b>	<b>2,027</b>	<b>8,606</b>	<b>13,503</b>	<b>7,277</b>	<b>0.20</b>	<b>0.23</b>	<b>0.98</b>	<b>1.47</b>	<b>0.78</b>
<b>Gas</b>										
Alinta Energy	855	529	964	1,298	968	0.15	0.09	0.16	0.21	0.15
WorleyParsons	0	0	1	0	0	0.00	0.00	0.43	0.00	0.00
Wesfarmers	0	0	0	0	2	0.00	0.00	0.00	0.00	0.37
<b>Gas Total</b>	<b>855</b>	<b>529</b>	<b>965</b>	<b>1,298</b>	<b>970</b>	<b>0.15</b>	<b>0.09</b>	<b>0.16</b>	<b>0.21</b>	<b>0.15</b>



**Table 41: Non-residential energy complaints (year ending 30 June)**

Retailer	Number					Per 100 customers				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
<b>Electricity</b>										
Alinta Energy	5	4	6	6	17	0.59	0.43	0.66	0.41	0.11
Horizon Power	63	25	4	37	4	1.12	0.42	0.06	0.41	0.05
Perth Energy	-	1	1	0	1	-	0.27	0.18	0.00	0.14
Rottnest Island Authority	-	1	0	0	1	-	1.00	0.00	0.00	0.40
Synergy	80	127	832	1,865	1,182	0.18	0.22	0.99	2.03	0.13
<b>Electricity Total</b>	<b>148</b>	<b>158</b>	<b>843</b>	<b>1,908</b>	<b>1,205</b>	<b>0.16</b>	<b>0.17</b>	<b>0.84</b>	<b>1.88</b>	<b>0.12</b>
<b>Gas</b>										
Alinta Energy	30	0	4	5	14	0.39	0.00	0.05	0.06	0.02
Synergy	1	0	14	1	0	1.03	0.00	12.50	0.84	0.00
<b>Gas Total</b>	<b>31</b>	<b>0</b>	<b>18</b>	<b>6</b>	<b>14</b>	<b>0.39</b>	<b>0.00</b>	<b>0.22</b>	<b>0.07</b>	<b>0.02</b>

**Table 42: Residential electricity complaints by complaint category (year ending 30 June)**

Retailer	Billing (%)					Marketing (%)				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
Horizon Power	8.2	51.6	36.2	42.0	63.2	0.0	0.8	0.0	0.0	0.0
Synergy	84.0	83.8	89.1	94.3	83.0	16.0	8.5	1.5	1.3	5.6
Retailer	Transfer (%)					Other (%)				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
Horizon Power	0.0	0.0	0.0	0.0	0.0	91.8	47.6	63.8	58.0	36.8
Synergy	0.0	0.0	0.0	0.0	0.4	0.0	7.7	9.4	4.4	11.0

**Table 43: Residential gas complaints by complaint category (year ending 30 June)**

Retailer	Billing (%)					Marketing (%)				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
Alinta Energy	29.0	32.5	39.5	41.4	47.3	5.0	1.9	1.6	1.3	1.9
Retailer	Transfer (%)					Other				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
Alinta Energy	0.0	0.0	0.0	0.0	0.0	66.0	65.6	58.9	57.3	50.8

**Table 44: Non-residential electricity complaints by complaint category (year ending 30 June)**

Retailer	Billing (%)					Marketing (%)				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
Alinta Energy	80.0	100.0	50.0	83.3	100.0	20.0	0.0	33.3	16.7	0.0
Horizon Power	20.6	52.0	50.0	43.3	50.0	0.0	0.0	0.0	0.0	0.0
Perth Energy	0.0	100.0	100.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0
Rottnest Island Authority	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0
Synergy	80.0	93.7	88.3	95.2	86.0	20.0	1.1	1.2	1.3	0.4
Retailer	Transfer (%)					Other (%)				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
Alinta Energy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.7	0.0	0.0
Horizon Power	0.0	0.0	0.0	0.0	0.0	79.4	48.0	50.0	56.7	50.0
Perth Energy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rottnest Island Authority	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0
Synergy	0.0	0.0	0.0	0.1	3.2	0.0	5.5	10.6	3.4	10.4

**Table 45: Non-residential gas complaints by complaint category (year ending 30 June)**

Retailer	Billing (%)					Marketing (%)				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
Alinta Energy	33.3	0.0	0.0	60.0	71.4	0.0	0.0	0.0	20.0	21.4
Synergy	100.0	0.0	57.1	100.0	0.0	0.0	0.0	0.0	0.0	0.0
Retailer	Transfer (%)					Other (%)				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
Alinta Energy	0.0	0.0	0.0	0.0	0.0	66.7	0.0	100.0	20.0	7.1
Synergy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	42.9	0.0	0.0

**Table 46: Total number of calls received by energy retailer contact centres (year ending 30 June)**

Retailer	2007	2008	2009	2010	2011	2012
<b><i>Electricity</i></b>						
Alinta Energy	1,659	2,829	2,681	2,173	2,452	2,462
Horizon Power	111,919	85,356	94,018	89,200	71,215	82,587
Rottneest Island Authority	-	-	-	1,027	5,272	5,840
Synergy	1,007,865	927,241	919,948	1,257,153	1,439,432	1,315,881
<b>Electricity Total</b>	<b>1,121,443</b>	<b>1,015,426</b>	<b>1,012,009</b>	<b>1,349,553</b>	<b>1,518,371</b>	<b>1,406,770</b>
<b><i>Gas</i></b>						
Alinta Energy (Gas)	-	604,093	606,063	727,524	720,439	686,935
Wesfarmers	-	147,202	179,119	172,080	190,764	214,280
<b>Gas Total</b>	<b>-</b>	<b>751,295</b>	<b>785,182</b>	<b>899,604</b>	<b>911,203</b>	<b>901,215</b>

**Table 47: Average duration before a call is answered and the percentage of calls that are answered within 30 seconds (year ending 30 June)**

	Average duration before a call is answered (seconds)						Percentage answered within 30 seconds					
	2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012
<b>Electricity</b>												
Alinta Energy	33.0	17.0	12.0	19.0	22.0	19.0	64.1%	70.9%	84.3%	77.8%	73.3%	76.6%
Horizon Power	26.5	11.5	10.0	34.0	20.0	18.0	70.0%	83.4%	90.9%	83.4%	88.0%	88.5%
Rottnest Island Authority	-	-	-	21.0	16.0	12.0	-	-	-	94.6%	97.3%	95.0%
Synergy	56.8	17.4	23.0	52.0	54.0	35.0	62.8%	80.2%	78.7%	72.0%	70.2%	74.8%
<b>Electricity Total</b>	<b>38.8</b>	<b>15.3</b>	<b>15.0</b>	<b>31.5</b>	<b>52.2</b>	<b>21.0</b>	<b>63.5%</b>	<b>80.4%</b>	<b>79.8%</b>	<b>72.8%</b>	<b>71.1%</b>	<b>75.7%</b>
<b>Gas</b>												
Alinta Energy	-	33.0	25.0	29.0	29.0	27.0	-	79.9%	80.9%	77.8%	78.5%	80.0%
Wesfarmers	-	15.0	13.0	13.0	21.0	28.0	-	80.1%	80.0%	93.1%	79.1%	66.3%
<b>Gas Total</b>	<b>-</b>	<b>29.5</b>	<b>22.3</b>	<b>25.9</b>	<b>27.3</b>	<b>27.5</b>	<b>-</b>	<b>79.9%</b>	<b>80.7%</b>	<b>80.7%</b>	<b>78.6%</b>	<b>76.8%</b>

**Table 48: Percentage of unanswered calls (year ending 30 June)**

	Percentage of unanswered calls					
	2007	2008	2009	2010	2011	2012
<b>Electricity</b>						
Alinta Energy	1.9	2.3	1.4	1.1	1.1	3.1
Horizon Power	9.4	4.5	0.3	1.7	1.7	1.6
Rottnest Island Authority	-	-	-	1.4	3.6	5.0
Synergy	5.1	2.1	2.4	3.6	4.0	3.2
<b>Electricity Total</b>	<b>5.5</b>	<b>2.3</b>	<b>2.2</b>	<b>3.5</b>	<b>3.9</b>	<b>3.1</b>
<b>Gas</b>						
Alinta Energy	-	1.4	1.3	1.7	4.2	2.4
Wesfarmers	-	1.2	1.1	0.4	1.1	3.7
<b>Gas Total</b>		<b>1.4</b>	<b>1.3</b>	<b>1.5</b>	<b>3.6</b>	<b>2.7</b>

# Appendix 4: Licence Area Maps of the State



Figure 21: Electricity Licensing Areas in Western Australia

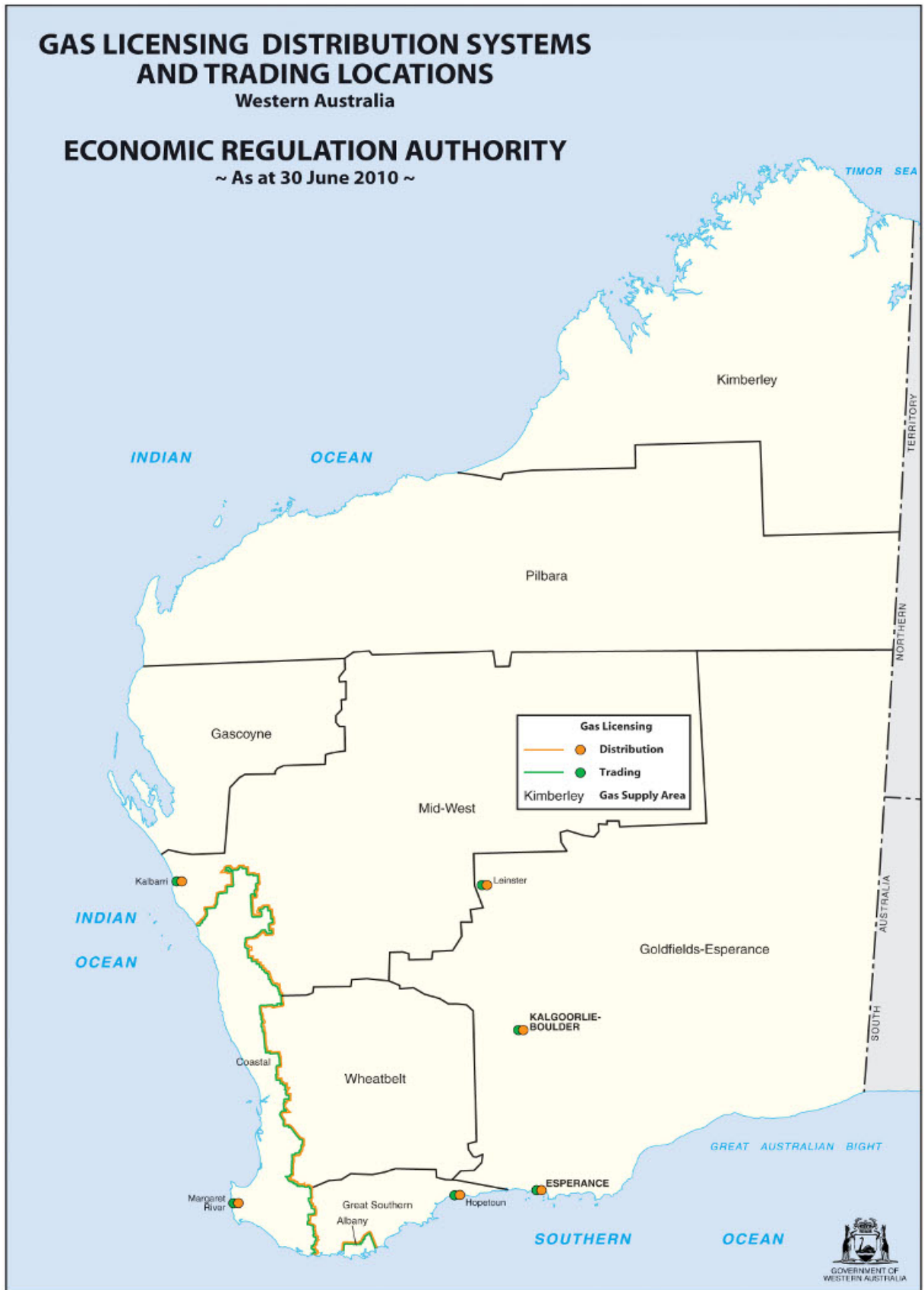


Figure 22: Gas Distribution and Trading Areas in Western Australia