

## Energy customers during the coronavirus pandemic

### Update – covering data up to 31 May 2020

The commission sent voluntary data requests to all retailers to monitor the number of energy customers on payment plans and those who are now enquiring about assistance with paying bills.

The following provides our observations on the data reported to the commission to date.

#### Key observations

- One disconnection for non-payment during the month of May.

#### Residential customers:

- The weekly average number of electricity residential customers that enquired about payment assistance increased by 46 per cent in May.
- There was a six to eleven per cent decrease in electricity residential customers receiving assistance in May. By the end of May, there were 31,170 and 19,121 electricity residential customers receiving assistance who can and cannot pay their on-going usage respectively.
- The average arrears of electricity residential customers receiving assistance increased by four to nine per cent. Residential electricity customers who are receiving payment assistance but cannot pay on-going usage owed \$1,515 in May. However, we noted between a three and five per cent reduction in average arrears for gas residential customers.
- The weekly average residential electricity customers missing the payment of their bill decreased by around 20 per cent in May compared to April.

#### Small business customers:

- There was an estimated 32 per cent increase in the weekly average number of small business electricity customers enquiring about assistance. An estimated one per cent of Victorian small business energy customers are receiving assistance from their retailers (a total of 2,488 electricity and 684 gas customers by the end of May) – this was largely the same since the first week of April.

- There was an estimated three per cent decrease in the average arrears of electricity small business customers and an estimated 27 per cent increase for gas small business customers in May. Small business customers receiving assistance from their retailers owed on average \$1,141 for electricity and \$1,441 for gas.
- The weekly average small business electricity customers missing the payment of their bill decreased by around four per cent in May compared to April.

**About the data:** We have received submissions from 21 retailers covering 94 per cent of electricity residential customers in Victoria – the observations in this document relate to the data provided by retailers up to 31 May 2020. We are collecting a small subset of the data that is included in our annual performance report.

Data is reported weekly by retailers on a voluntary basis and is not audited by the commission. This data does not yet allow us to draw specific conclusions on the effect of the coronavirus pandemic, as some datasets are incomplete, captures data outside of Victoria (depending on the ability of retailer systems) or does not yet account for customers who have received extended deferral of payments. We note that some of these figures can change over time as retailers submit updated data – this can impact comparisons to other time periods.

We specifically note that retailers informed us that data for residential customers receiving tailored assistance and small business customers receiving payment assistance does not include customers who asked for extended deferral of payments. In late May 2020, we requested additional information from retailers on customers who have deferred payments instead of participating in a payment plan. We are currently receiving this new information.

## Victorian-wide data summary


Indicators <sup>1</sup>	Electricity		Gas	
	Week ending 26 April	Week ending 31 May	Week ending 26 April	Week ending 31 May
<b>Residential customers – assistance and arrears</b>				
Number and proportion of Victorian customers receiving tailored assistance – who can pay on-going usage	31,910 1.2%	30,563 1.2%	22,125 1.1%	20,279 1.0%
Number and proportion of Victorian customers receiving tailored assistance – who cannot pay on-going usage	21,017 0.8%	18,459 0.7%	15,606 0.8%	13,707 0.7%
Average arrears – customers receiving payment assistance, and can pay on-going usage	\$618	\$640	\$498	\$485
Average arrears – customers receiving payment assistance, and cannot pay on-going usage	\$1,385	\$1,515	\$1,092	\$1,141
<b>Small business customers – assistance and arrears</b>				
Number and proportion of Victorian customers receiving payment assistance	2,471 0.9%	2,488 0.9%	696 1.1%	684 1.1%
Average arrears – customers receiving payment assistance	\$1,180	\$1,141	\$1,139	\$1,441
<b>Calls waiting times</b>				
Average call waiting time – <i>totals for both electricity and gas</i>	110 seconds	58 seconds	<i>Refer to electricity</i>	<i>Refer to electricity</i>

Indicator	Electricity		Gas	
	April (30 March to 26 April)	May (27 April to 31 May)	April (30 March to 26 April)	May (27 April to 31 May)
<b>Calls and enquiries<sup>2</sup></b>				
Weekly average phone calls to retailers (calls to an operator) – <i>totals for both electricity and gas</i>	84,550	90,280	<i>Refer to electricity</i>	<i>Refer to electricity</i>
Weekly average residential customer calls seeking assistance	8,622	12,559	6,050	9,355
Weekly average small business customer calls seeking assistance	1,838	2,434	318	309
<b>Missed bills</b>				
Weekly average residential customers who missed bills	9,367	7,469	7,649	4,811
Weekly average small business customers who missed bills	1,944	1,859	553	338

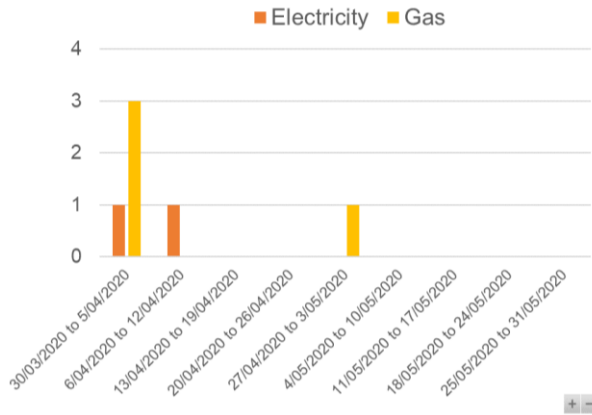
<sup>1</sup> Average arrears are calculated by estimating total arrears in the market, divided by the number of customers receiving assistance across the market (reported data only).

<sup>2</sup> Due to limitations of some retailer systems, some of the enquiries data can capture calls outside of Victoria.

## Disconnections for non-payment

Change from April to May (industry total): 

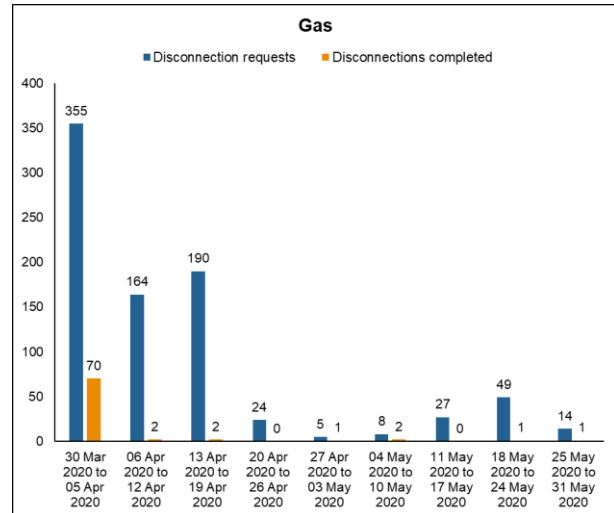
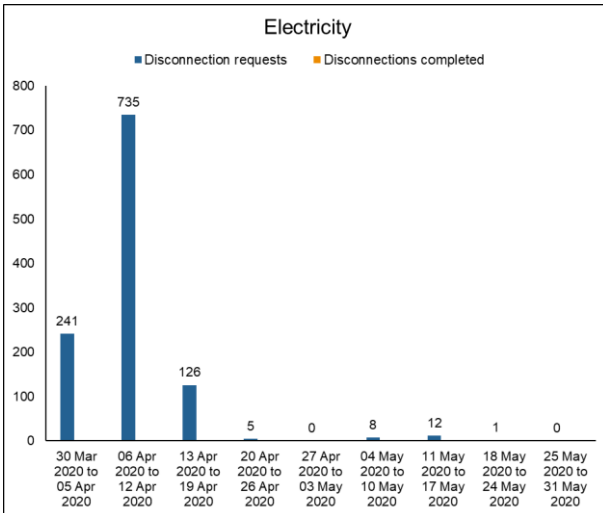
Disconnections for non-payment, total, reported by retailers



Retailers reported one completed gas disconnection, and no electricity disconnections for non-payment in May.


For the week ending 31 May 2020, there were no requests for electricity disconnections and 14 requests for gas disconnection across the five distribution zones.

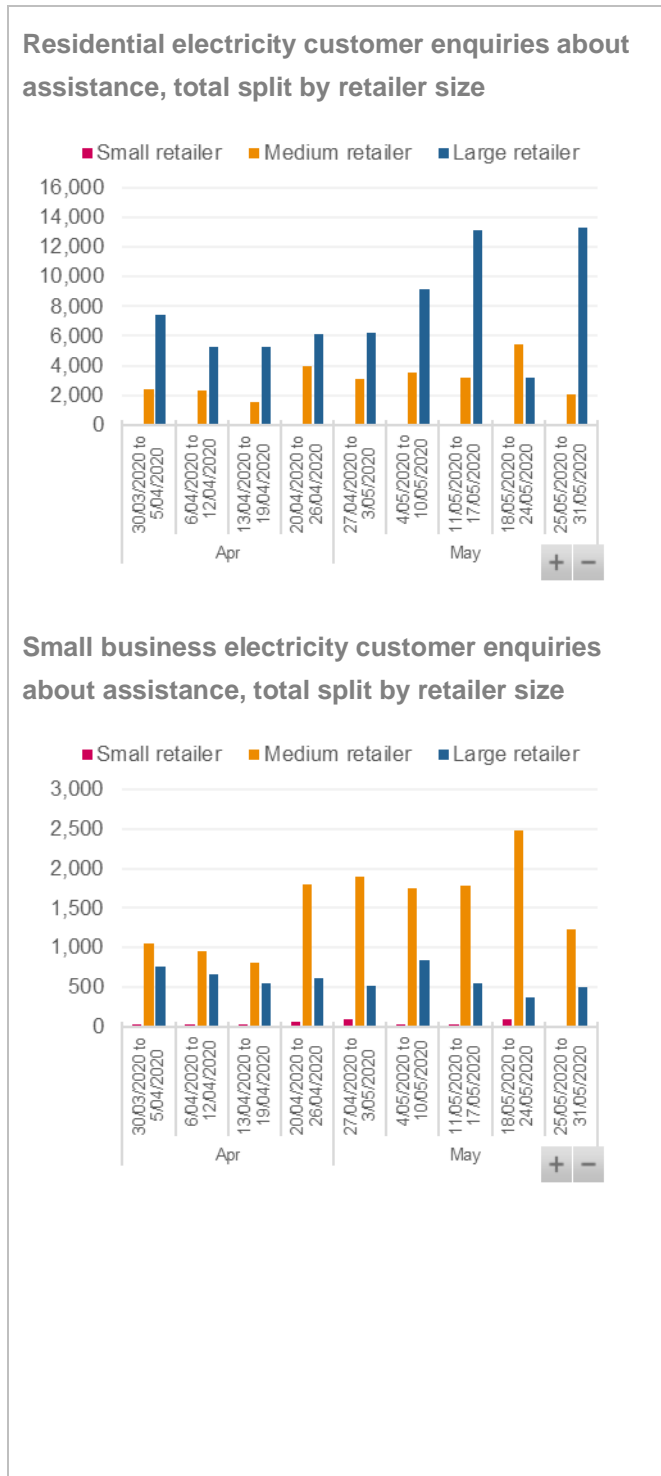
Disconnection requests, reported by distributors<sup>3</sup>



<sup>3</sup> Disconnection requests are reported by distributors, and can include requests other than those for non-payment

## Customers enquiring about assistance

Change from April to May (industry total): 



The number of electricity residential customers who enquired about payment assistance has been increasing, particularly with large retailers.

Based on weekly averages, there was a 46 per cent increase in electricity and 55 per cent increase in gas residential customers enquiring about assistance between April and May 2020.

In total, retailers reported that 62,797 electricity residential customers enquired about assistance in May.<sup>4</sup>

The number of small business customers from medium retailers that enquired about assistance has also increased since late April 2020.


Retailers reported:

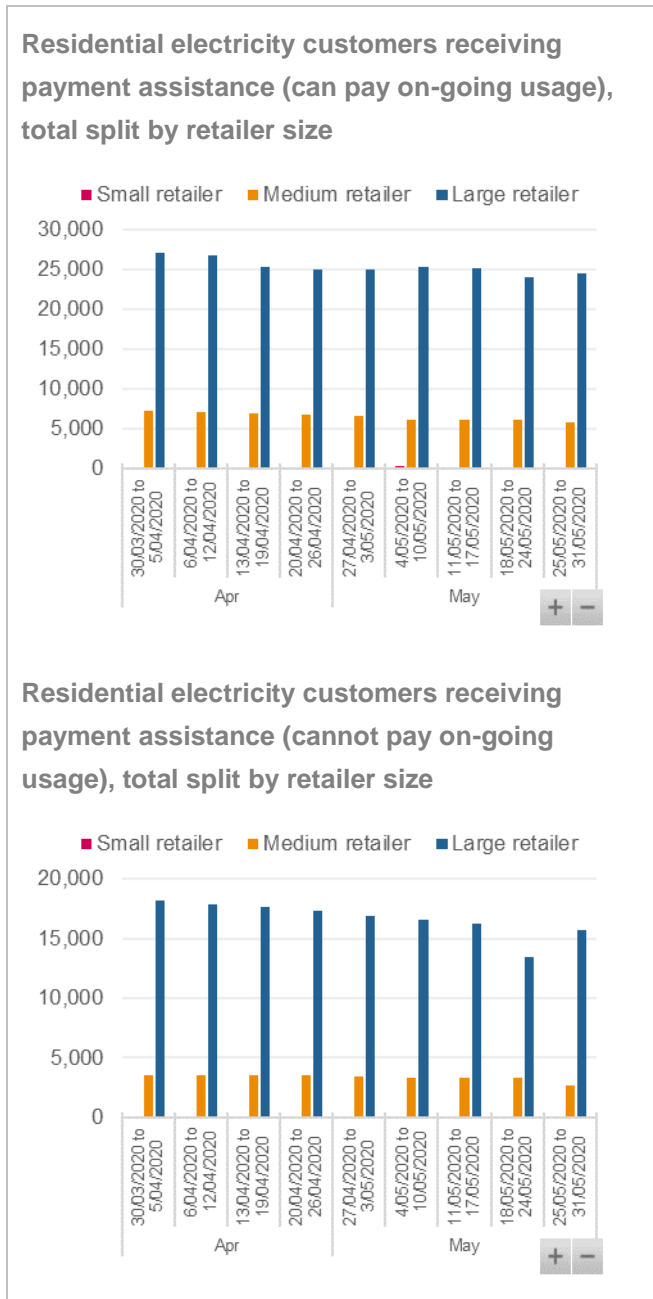
- a 32 per cent increase in electricity small business customers respectively enquiring about assistance, but a 3 per cent decrease for gas.
- 12,168 electricity small business customers enquired about assistance in May.

Retailers advised us that this trend will continue as customers receive their next bill – especially if they are on a quarterly billing cycle.

<sup>4</sup> Due to limitations of some retailer systems, some of the enquiries data can capture calls outside of Victoria.

## Residential customers receiving payment assistance

Change from April to May (industry total): 



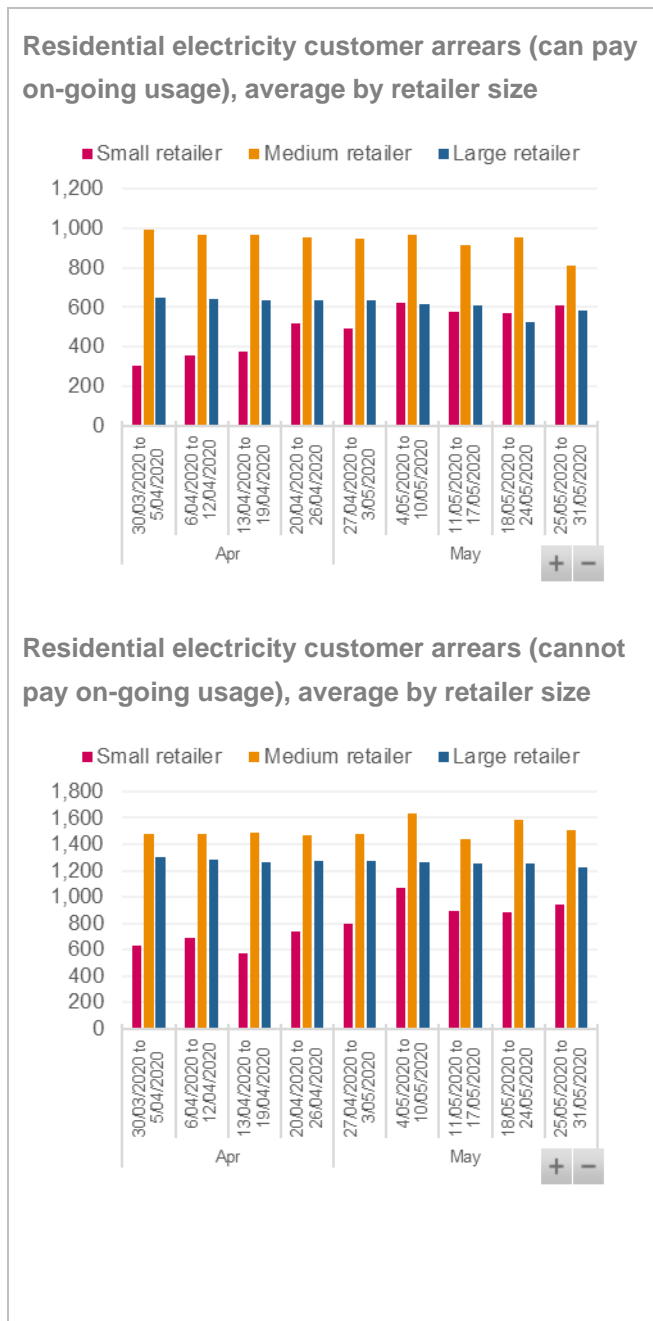
The average number of residential electricity customers per retailer commencing payment plans increased by 14 per cent from April to May.

However, between April and May retailers reported:

- For electricity residential customers receiving assistance, there were 31,170 customers who can pay their on-going usage, and 19,121 customers who could not pay their on-going usage – reductions of six and 11 per cent respectively.
- For gas residential customers receiving assistance, there were 20,638 customers who can pay their on-going usage, and 13,949 customers who could not pay their on-going usage – reductions of 11 and 13 per cent respectively.

## Residential customer arrears

Change from April to May (industry total): 



The average arrears<sup>5</sup> for electricity residential customers receiving assistance is increasing, particularly with small and medium sized retailers – but not to the extent we were initially expecting.

Between the end of April and May, retailers reported:

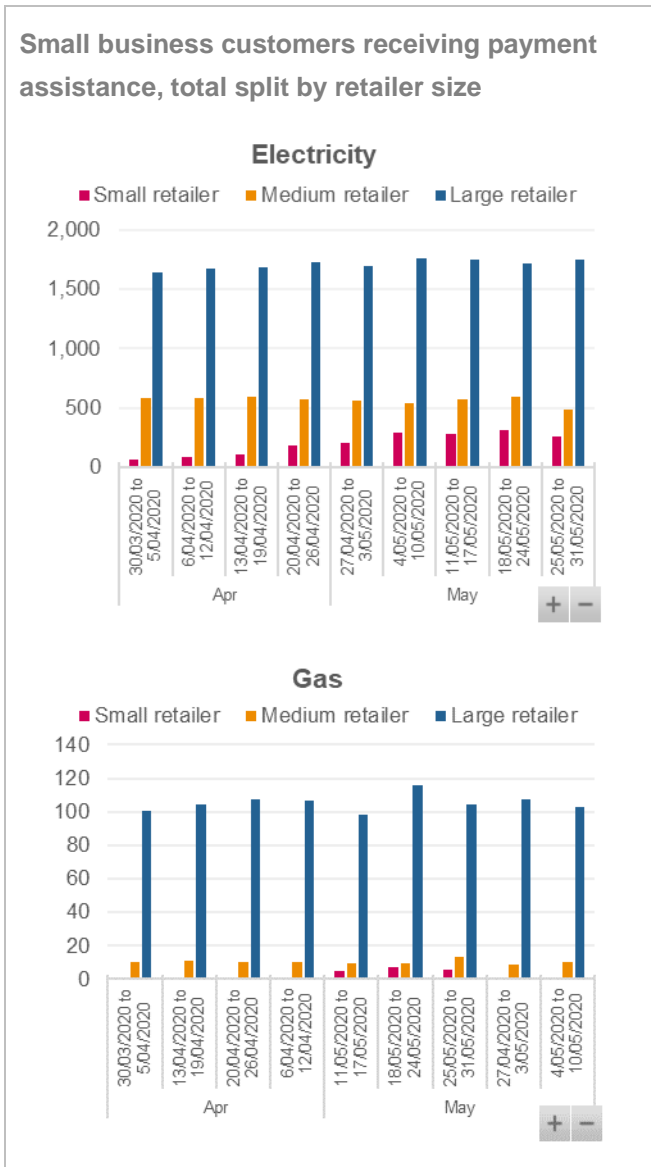
- a four per cent increase in the arrears of residential customers receiving assistance who can pay their on-going usage, at \$640 by the end of May
- a nine per cent increase in the arrears of residential electricity customers who cannot pay their on-going usage, at \$1,515 by the end of May
- a three per cent reduction in average arrears for gas residential customers, who can pay their on-going usage, at \$485 by the end of May
- a five per cent increase in the arrears of residential gas customers who cannot pay their on-going usage, at \$1,141 by the end of May.

However, this might change once we receive more information from retailers on customers who have deferred all payments.

<sup>5</sup> Note that average arrears is calculated by estimating total arrears divided by the number of customers receiving assistance across the market (reported data only). This also refers to arrears at the week ending 26 April compared to the week ending 31 May.

## Small business customers receiving payment assistance

Change from April to May (industry total): ↔



The average number of small business customers for large retailers who received payment assistance remained stable in the last two weeks.

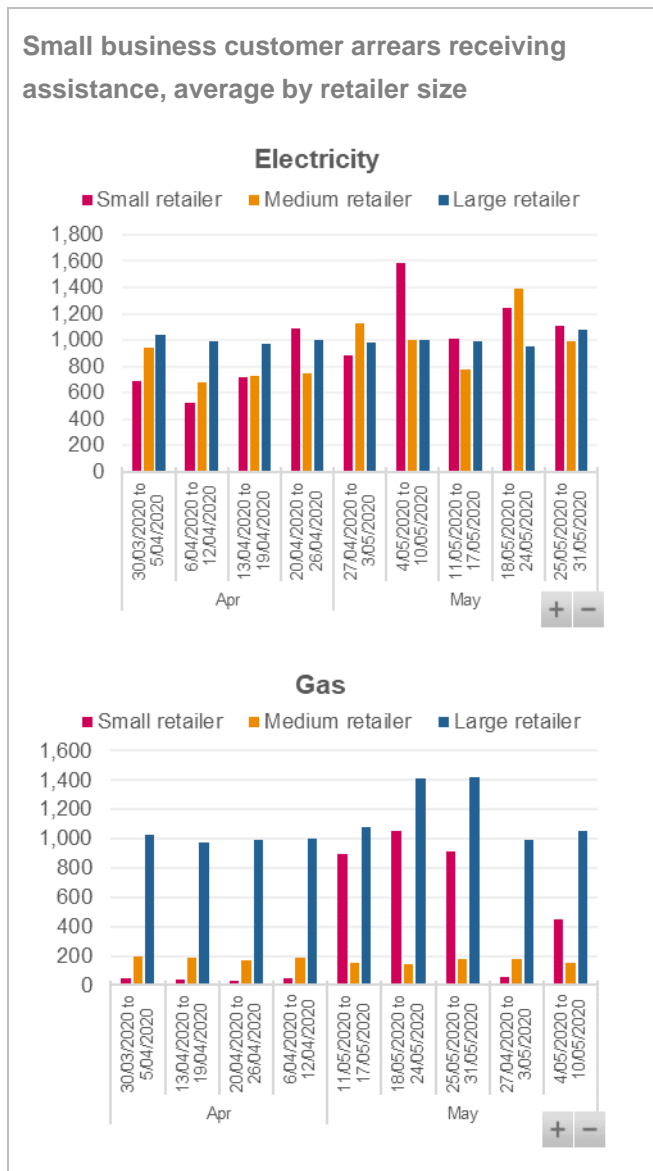
In total across the market, retailers reported 2,488 small business electricity and 684 gas customers are receiving some form of payment assistance (voluntarily provided by retailers). This reflects approximately 1% of the total small business customer base.

We will continue to seek information from retailers on the number of small business customers who are putting their bills on hold rather than entering a payment plan.



## Small business customer arrears

Change from April to May (industry total): ↑ (for gas)



2,488 small business electricity customers have been receiving financial support, with an average arrears of around \$1,000.<sup>6</sup>

Retailers reported:

- a three per cent decrease in the average arrears of electricity small business customers between April and May
- an average arrears of \$1,141 in May

At the end of May, 684 small business gas customers were receiving financial support.

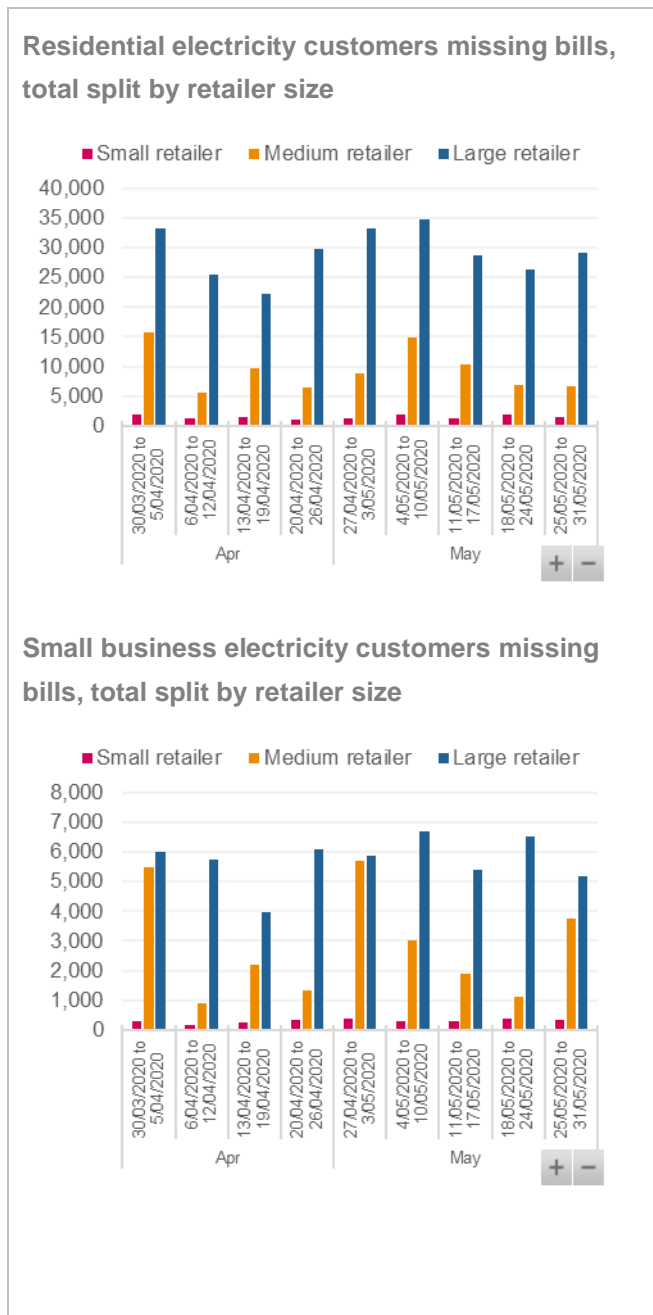
Retailers reported:

- a 27 per cent increase in the average arrears of gas small business customers receiving between April and May
- an average arrears of \$1,441 in May.

<sup>6</sup> Note that average arrears is calculated by estimating total arrears divided by the number of customers receiving assistance across the market (reported data only). This also refers to arrears at the week ending 26 April compared to the week ending 31 May.

## Customers missing bills

Change from April to May (industry total): 



The total number of customers missing paying bills by the due date stabilised in May.

Based on weekly averages between April and May, retailers reported for residential customers:

- a 20 per cent decrease in electricity customers missing bill payments
- a 37 per cent decrease in gas customers missing bill payments

Based on weekly averages, between April and May, retailers reported for small business customers:

- a 4 per cent decrease in electricity customers missing bill payments
- a 39 per cent decrease in gas customers missing bill payments

We also observe that customers missing bills appear to fluctuate on a weekly basis – this is new data we have requested from retailers, and we do not have a historical baseline to compare with.