

Northern Territory Electricity Retail Review

2023-24



Disclaimer

The Northern Territory Electricity Retail Review (NTERR) is prepared using information sourced from Northern Territory electricity supply industry participants, Northern Territory Government agencies, consultant reports and publicly available information. The NTERR covers the financial year ending 30 June 2024. The Utilities Commission (Commission) understands the information received to be current at 20 December 2024.

This NTERR contains analysis and statements based on the Commission's interpretation of data provided by Northern Territory electricity industry participants. To enable comparison with other jurisdictions, the Commission has sought to align the data reporting with the other Australian jurisdictions, where possible. However, there are some differences so any comparisons should be considered indicative only.

Any person using the information in the NTERR should independently verify the accuracy, completeness, reliability and suitability of the information and source data. The Commission accepts no liability (including liability to any person by reason of negligence) for any use of the information in the NTERR or for any loss, damage, cost or expense incurred or arising by reason of any error, negligent act, omission or misrepresentation in the information in the NTERR or otherwise.

Any questions regarding the NTERR should be directed to the Utilities Commission at utilities.commission@nt.gov.au or by phone 08 8999 5480.

Acknowledgement – cover photo

The photo of the Liquid Light show at the Darwin Waterfront is reproduced with the permission of Darwin RexYu Photography and Darwin Waterfront Corporation.

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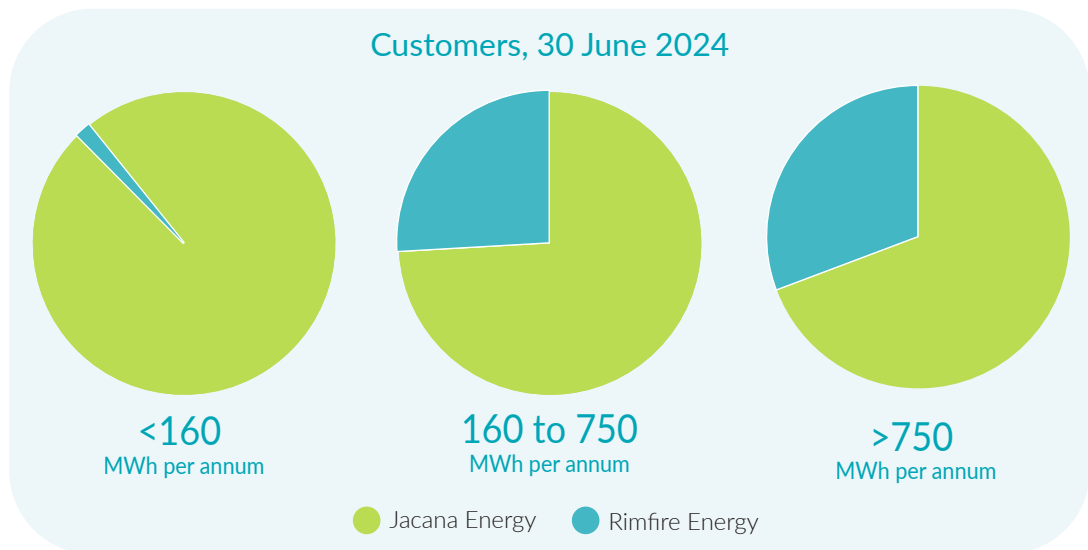
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Executive summary

The Commission's annual Northern Territory Electricity Retail Review (NTERR) reports on retail competition in the Territory's three regulated power systems (Alice Springs, Darwin-Katherine and Tennant Creek) and the retail performance and quality of service provided to small customers in those power systems (that is, customers consuming less than 160 megawatt hours (MWh) per annum¹). This NTERR presents results for 2023-24, trends in performance indicators over time and comparisons with jurisdictions covered by the National Energy Customer Framework (NECF)². Key results are presented below.

Retail competition

- Rimfire Energy Pty Ltd (Rimfire Energy) increased its market share in all sectors in 2023-24 but Jacana Energy remains the dominant retailer, and retail competition continues to be limited with only these two retailers active in the Territory's regulated power systems.
- The Territory Government's community service obligation (CSO) payment to retailers increased from \$99.3 million in 2022-23 to \$128.1 million in 2023-24. The CSO subsidises the cost of electricity for residential and business customers consuming up to 750 MWh per annum, providing an average subsidy of more than \$1,400 per customer in 2023-24.



1 As defined in the Commission's Electricity Industry Performance Code: <https://utilicom.nt.gov.au/electricity/codes-and-guidelines/electricity-industry-performance-code>.

2 The NECF applies in the Australian Capital Territory, New South Wales, Queensland, South Australia and Tasmania. It does not apply in Victoria, Western Australia or the Northern Territory.

Retail performance

- There was substantial improvement in telephone responsiveness of both Jacana Energy and Rimfire Energy with the percentage of calls taken within 30 seconds in 2023-24 being the highest on record and the percentage of calls abandoned being the lowest for both retailers.
- If the Australian Energy Regulator's (AER's) rating system applied to these indicators, both retailers would have achieved a rating of 'best'.
- There was a decline in 2023-24 in the percentage of customers making complaints to retailers and the number of approaches by customers of Jacana Energy to the Ombudsman NT.

2023-24, compared to previous year

Jacana Energy calls taken within 30 seconds

95.0%

↑ 11.1 percentage points

Jacana Energy calls abandoned before being answered

1.5%

↓ 3.5 percentage points

Rimfire Energy calls taken within 30 seconds

98.1%

↑ 44.5 percentage points

Rimfire Energy calls abandoned before being answered

0.3%

↓ 17.5 percentage points

Percentage of small customers making complaints

0.6%

↓ 0.1 percentage points

Approaches to Ombudsman NT as a total of Jacana Energy complaints

24.2%

↓ 0.4 percentage points

Payment difficulties and hardship

- The percentage of residential customers in the Territory with energy bill debt declined in 2023-24 but the average amount of residential customer energy bill debt continued to rise. The percentage of residential customers disconnected for non-payment also increased in 2023-24.
- The percentage of small business customers with energy debt decreased in 2023-24 but the average small business customer energy bill debt increased, as did the percentage of small business customers disconnected for non-payment.
- The percentage of residential customers on a payment plan or in a hardship program in the Territory remained relatively stable in 2023-24.
- Of customers with prepayment meters, 59.1% recorded one or more self-disconnection events in 2023-24, up from 51.5% in 2022-23. Self-disconnecting customers recorded on average 55 self-disconnection events (down from 82 in 2022-23) and the average duration of self-disconnection events was 504 minutes (up from 355 in 2022-23).

As at 30 June 2024, compared to same period in previous year

Residential customers with debt

3.3%

↓ 0.7 percentage points

Residential customers disconnected for non-payment

0.7%

↑ 0.3 percentage points

Residential customers on a payment plan

1.8%

↑ 0.1 percentage points

Residential customers on a hardship program

0.4%

↓ 0.1 percentage points

Average residential customer debt

\$1,467

↑ \$63 (4.5%)

Average small business customer debt

\$1,844

↑ \$405 (28.1%)

Small business customers with debt

2.0%

↓ 0.4 percentage points

Small business customers disconnected for non-payment

0.3%

↑ 0.1 percentage points

Introduction

The NTERR focusses on retail market conditions and the experience of small customers in the Territory's three regulated power systems: Alice Springs; Darwin-Katherine; and Tennant Creek. Small customers are defined as those consuming less than 160 MWh per annum.³ The NTERR presents results for 2023-24, trends over time and comparisons with jurisdictions covered by the NECF. The NECF applies in the Australian Capital Territory, New South Wales, Queensland, South Australia and Tasmania, but not Victoria, Western Australia or the Territory. The Commission notes that measures for NECF jurisdictions may be based on both electricity and gas usage, but considers it to be informative as a comparator. The NTERR includes some observations in relation to larger customers, such as those related to market share and competition.

A key purpose of the NTERR is to provide transparency on retail competition and the performance of retailers using data provided to the Commission under the Electricity Industry Performance (EIP) Code. The NTERR also fulfils the requirement under clause 5.5.1 of the EIP Code for the Commission to publish an assessment of retailers' reported performance. Accordingly, it includes analysis and statements based on the Commission's interpretation of the data provided by electricity retailers and comparisons with interstate benchmarks where the Commission considers these reasonable. The NTERR compliments the Commission's Northern Territory Power System Performance Review, which reports on generation and network performance,⁴ and Northern Territory Electricity Outlook Report, which provides forecasts of system demand and supply adequacy in the regulated power systems.⁵

The NTERR is set out as follows:

- Chapter 2 discusses competition within the Territory's regulated power systems including active retailers and their market share
- Chapter 3 reports on retail performance in terms of indicators of customer service, complaints and dispute resolution
- Chapter 4 reports on customers experiencing payment difficulties and hardship.

Inputs to the NTERR were primarily provided by electricity retailers, as required under the EIP Code, and may include amendments to data reported and published in previous NTERRs. Any person using retail performance data from the NTERR should independently verify the data with the appropriate source.

3 As defined in the Commission's EIP Code: <https://utilicom.nt.gov.au/electricity/codes-and-guidelines/electricity-industry-performance-code>.

4 Northern Territory Power System Performance Review: <https://utilicom.nt.gov.au/electricity/reporting/power-system-performance-review>.

5 Northern Territory Electricity Outlook Report: <https://utilicom.nt.gov.au/electricity/reporting/electricity-outlook-report>.

Retail competition in the Territory

This chapter assesses the level of competition in the Territory's regulated power systems including the market share of active retailers and potential barriers to competition.

Licensed retailers

While there are seven entities licensed to sell and retail electricity to customers in the Territory at 30 June 2024 (Table 1), only Jacana Energy and Rimfire Energy actively sold and retailed electricity to small customers in the regulated power systems (Alice Springs, Darwin-Katherine and Tennant Creek) in 2023-24.⁶ Jacana Energy also retails electricity in a number of the Territory's smaller power systems, including Borroloola, Elliott, Timber Creek and Yulara, but the EIP Code does not require Jacana Energy to provide performance data for those power systems.

Among other retail licensees, the Department of Defence and Territory Generation are licensed to retail electricity to specific large customers but in 2023-24, had yet to commence sales. Power and Water Corporation (PWC) is limited to selling and retailing electricity in the geographic areas of Jabiru, Nhulunbuy, Alyangula, McArthur River Mine and Indigenous communities under the Indigenous Essential Services program (the EIP Code does not require reporting on retail performance in these areas). The licenses for EDL NGD (NT) Pty Ltd and Next Business Energy Pty Ltd permit sales in the regulated power systems but neither is active in the retail market.

Table 1: Licensed electricity retailers in the Territory at 30 June 2024

| Retailer | Licence issued |
|------------------------------|------------------|
| Department of Defence | 27 July 2020 |
| EDL NGD (NT) Pty Ltd | 30 June 2016 |
| Jacana Energy | 31 March 2005 |
| Next Business Energy Pty Ltd | 29 June 2018 |
| Power and Water Corporation | 31 March 2005 |
| Rimfire Energy Pty Ltd | 11 August 2014 |
| Territory Generation | 29 November 2019 |

Market share

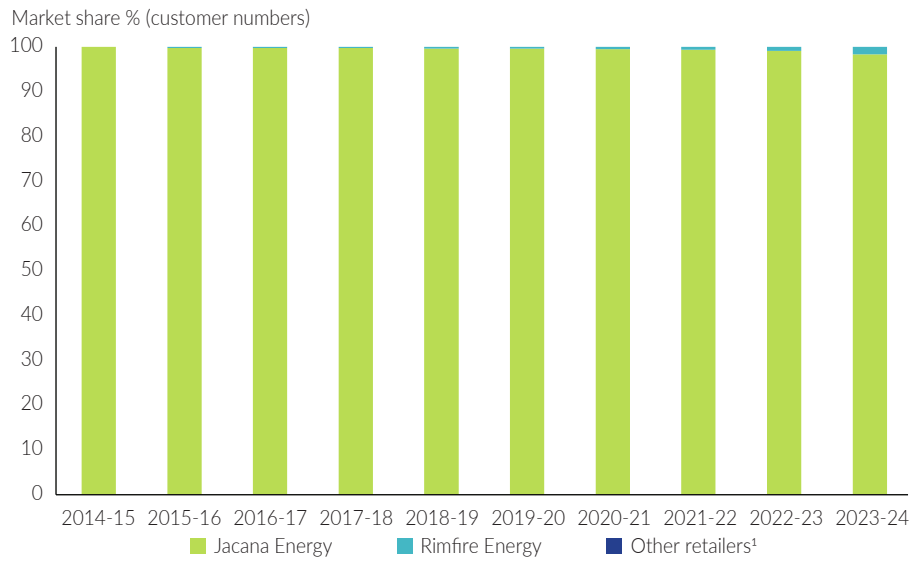
Retail competition continues to be limited however, as can be seen in Figures 1 to 3, Rimfire Energy has expanded its market share in all segments.

Among customers consuming less than 160 MWh per annum (Figure 1), Jacana Energy continues to service the majority of electricity consumers in the regulated power systems with close to 100% market share. However, although still small in number, Rimfire Energy nearly doubled its share of this segment of the market as it more actively targeted residential customers through discounts on the Territory Government's regulated electricity pricing order (EPO) tariffs⁷, a higher solar feed-in-tariff and other products and services.

⁶ Refer Register of electricity licences and exemptions at <https://utilicom.nt.gov.au/electricity/licences/register-of-electricity-licences-and-exemptions>.

⁷ Refer <https://utilicom.nt.gov.au/electricity/price-regulation/electricity-retail-pricing>.

Figure 1: Market share of retailers by customer numbers for customers consuming < 160 MWh per annum



1 Market share for other retailers is nil for all years in the series, however the category is included for consistency.

Competition is greatest among customers consuming between 160 to 750 MWh per annum (Figure 2) and large customers consuming more than 750 MWh per annum (Figure 3), where Rimfire Energy retails to more than a quarter of customers.

Figure 2: Market share of retailers by customer numbers for customers consuming 160 to 750 MWh per annum

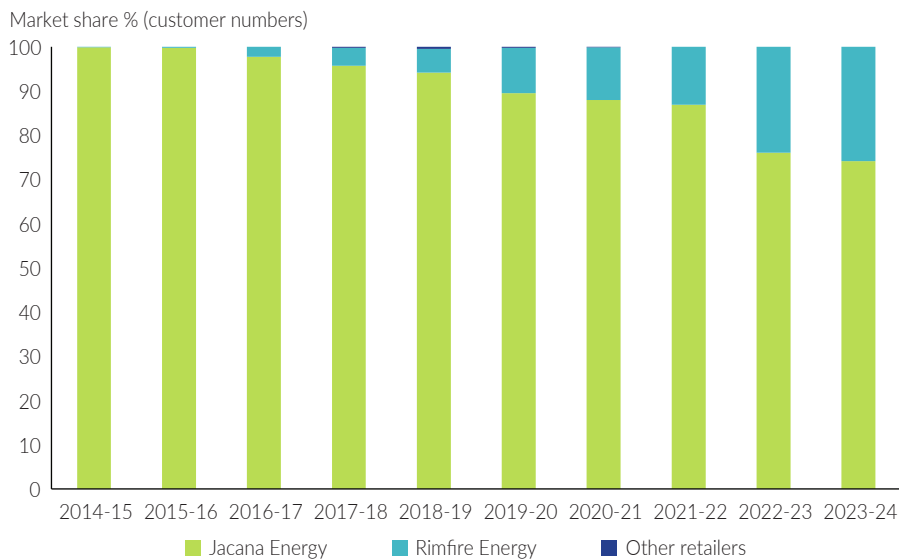
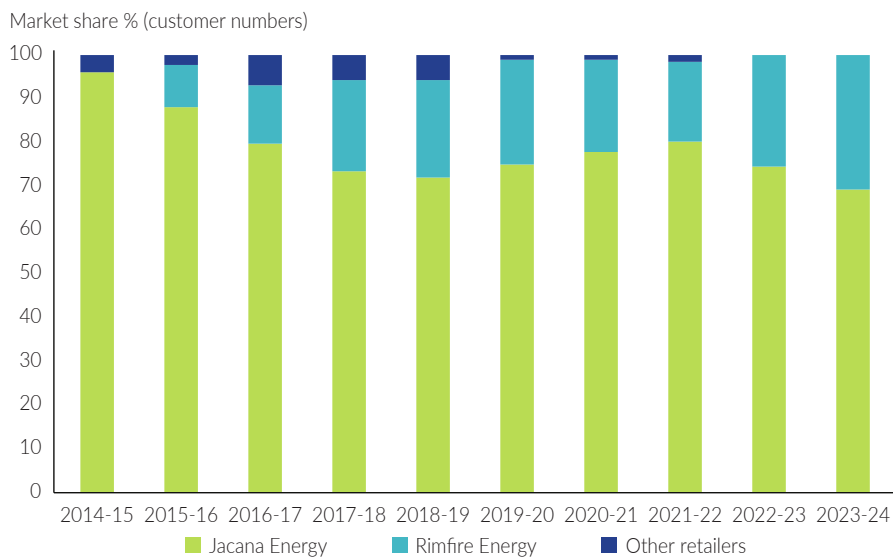


Figure 3: Market share of retailers by customer numbers for customers consuming > 750 MWh per annum



The Commission notes there are relatively few customers in these segments (customers over 160 MWh per annum account for 1% of total customers). Customers consuming 160 MWh to 750 MWh are likely to be commercial customers but these customers are charged the EPO tariff. This means they receive taxpayer-subsidised and below-cost reflective prices with retailers reimbursed for the shortfall through the Territory Government’s CSO payment to retailers. Elsewhere in Australia, except regional Queensland,⁸ commercial customers of this size are charged a cost-reflective tariff. For large customers (<750 MWh), retailers are able to negotiate contractual terms, including price, without being limited by the EPO tariffs.

Potential barriers to retail competition

Previous NTERRs, which are available on the Commission’s website, provide a more fulsome discussion of barriers to competition.⁹ This section briefly discusses the two main barriers – the Territory Government’s uniform tariff policy and interval meters.

Territory Government uniform tariff policy

As noted above, the Territory Government’s uniform tariff policy means residential and small to medium-sized business electricity customers (customers consuming less than 750 MWh per annum) pay an EPO tariff, which caps the maximum electricity price that can be charged by a retailer regardless of where those customers are located in the Territory.¹⁰ The EPO tariffs are typically below the cost of supply, making it, in principle, uneconomical for retailers to supply electricity to price-regulated customers, however the Territory Government provides CSO funding to electricity retailers to address the shortfall between the cost of supply and regulated electricity tariffs for eligible customers.

⁸ Refer <https://www.qca.org.au/project/customers/electricity-prices/>.

⁹ At <https://utilicom.nt.gov.au/publications>. See 2021-22 NTERR and prior years.

¹⁰ The current (2024-25) EPO is available on the Commission’s website at: <https://utilicom.nt.gov.au/publications/correspondence-directions-and-notice/electricity-pricing-order-1-july-2024-30-june-2025>.

The EPO tariffs in the Territory may present a barrier to retail competition but the Commission acknowledges they also insulate residential and small business customers from inflationary pressures in the electricity supply industry. The higher cost of electricity supply is, however, passed on to government, and ultimately taxpayers, through the CSO. The EPO may also create inefficient market outcomes by distorting price signals, discouraging energy efficiency and contributing to higher overall costs. Furthermore, customers are largely unaware of the level of subsidy they are receiving for electricity supply (the Territory Government's budget papers only provide high level details about the CSO payment) and it is not transparent to potential market participants how government calculates and makes the payment available to retailers.

The Territory Government's revised budget for 2023-24 included \$128.1 million for CSO funding to electricity retailers.¹¹ This was an increase of nearly \$29 million (29.1%) relative to 2022-23 and translates to an average subsidy of more than \$1,400 per customer. In addition to the CSO, the Territory Government provides a further subsidy to eligible pensioners and carers through the Northern Territory Concession Scheme and subsidises electricity and other utilities in remote Indigenous townships through the Indigenous Essential Services grant.¹² Further assistance was also provided to customers through the National Energy Bill Relief Program in 2023-24, a program jointly funded by the Territory and Commonwealth governments.¹³

Interval meters

Clause 5.1.1 of the Electricity Retail Supply (ERS) Code requires a customer to have an interval meter in order to transfer retailer. This means customers who have an interval meter or a prepaid meter would be able to change retailer but a customer with an accumulation meter cannot without installing a new meter at a cost of about \$400¹⁴. The Commission acknowledges this acts as a barrier to competition, however removing the requirement for an interval meter would require PWC to develop a new settlement system to accommodate the transfer of customers with accumulation meters. The cost of such a system, which would be passed on to electricity consumers and government (through the CSO), would outweigh the potential benefits from increased competition and ultimately there would be no need for such a system as accumulation meters are being phased out.

11 Northern Territory Government, Agency Budget Statements, 2024-25 Budget Paper No. 3, page 216: <https://budget.gov.au/content/bp3/index.htm>.

12 Ibid. In 2023-24, there was \$10.3 million provided under the Northern Territory Concession Scheme, \$9.5 million for the National Energy Bill Relief Program and \$85.2 million in funding for the provision of electricity, water and sewerage in remote communities in the Indigenous Essential Services grant (p. 117).

13 For information on the National Energy Bill Relief Program see https://bushtel.nt.gov.au/public/pdf/NER_fact_sheet.pdf.

14 PWC's 2024-25 alternative control service (ACS) fee based and quoted services tariff schedule (at https://www.powerwater.com.au/__data/assets/pdf_file/0016/351124/Alternative-Control-Service-Fee-Based-and-Quoted-services-2024-25.pdf) indicates a cost of \$412.14 to exchange or replace a single phase meter, noting this does not include the cost of any additional works, which may be required in some circumstances.

The Commission notes PWC has an ongoing program to replace accumulation meters with smart meters although PWC's Regulatory Proposal for the 2024–2029 regulatory period indicates the replacement program will not be completed until the 2029–2034 regulatory period.¹⁵ Residential and small business customers also need to replace their accumulation meter with an interval (or smart) meter in order to connect rooftop solar photovoltaic infrastructure (which occurs at the customer's cost). Subject to PWC's replacement program proceeding as envisaged and continued uptake of rooftop solar, over time the number of customers able to transfer retailer without the barrier of additional metering costs will increase.

¹⁵ PWC Regulatory Proposal for the 2024-29 regulatory period: <https://www.aer.gov.au/system/files/PWC%20-%200.00%20-%20Regulatory%20Proposal%20-%2031%20Jan%202023%20-%20Public.pdf>.

Retail performance

This chapter reports on retailers' performance in terms of customer service (measured by telephone responsiveness), complaints and dispute resolution. The EIP Code only requires retailers to report to the Commission on outcomes for residential and small business customers consuming less than 160 MWh per annum. Accordingly, information on retail performance for customers consuming more than 160 MWh per annum is not included. The chapter presents annual data for the five-year period from 2019-20 to 2023-24. Data relating to earlier years (back to 2014-15) can be found in previous NTERRs or requested from the Commission.

Customer service

A customer may contact their electricity retailer for a number of reasons including to query a bill, change payment arrangements or make a complaint. Customer service is typically facilitated through a retailer's call centre. Measures of telephone responsiveness can provide an indication of the level of service afforded to customers by electricity retailers. This is particularly important, given the limited choice in retailers for small customers in the Territory.

Routine matters, such as arranging a new connection or paying a bill, will contribute to a base level of inbound calls received by a retailer and these will typically increase as a retailer's customer base grows. Customers will also contact retailers when they experience issues in an attempt to have these resolved. Peaks in inbound customer calls may indicate an escalation in issues with a retailer's customer service, however external factors beyond a retailer's control may also contribute to variability in the number of inbound calls received by a retailer.

Table 2 shows the total number of calls received over the five years to 2023-24 and telephone responsiveness as measured by calls taken within 30 seconds and calls abandoned before being answered. The Commission commends both retailers on the substantial improvement in telephone responsiveness in 2023-24. Both achieved a call forwarding rate of 95% or more and a calls abandoned rate of less than 2%. This would have equated to a rating of 'best' under the AER's rating system for these indicators, which consists of three categories: 'best' (80% or more calls taken within 30 seconds and 5% or less calls abandoned), 'within range' (51% to 79% of calls taken within 30 seconds and 6% to 9% of calls abandoned), and 'poor' (50% or less calls answered within 30 seconds and 10% or more calls abandoned).¹⁶

¹⁶ AER, Annual retail markets report 2023-24: <https://www.aer.gov.au/system/files/2024-12/Annual%20Retail%20Market%20Report%202023%E2%80%9324-%2030%20November%202024.pdf>.

Table 2: Retailers' telephone responsiveness

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---------|---------|---------|---------|---------|
| Total calls | | | | | |
| Jacana Energy | 168 220 | 137 794 | 116 220 | 128 193 | 123 112 |
| Rimfire Energy | 156 | 438 | 601 | 1 795 | 1 187 |
| Calls forwarded to an operator within 30 seconds | | | | | |
| Jacana Energy (%) | 64.1 | 66.3 | 42.0 | 83.9 | 95.0 |
| Rimfire Energy (%) ¹ | n/a | 70.5 | 87.7 | 53.5 | 98.1 |
| Calls abandoned before being answered by an operator | | | | | |
| Jacana Energy (%) | 4.4 | 3.7 | 10.3 | 5.0 | 1.5 |
| Rimfire Energy (%) ¹ | n/a | 14.6 | 12.3 | 17.8 | 0.3 |

n/a: not available

1 Prior to 2020-21, Rimfire Energy did not have a call centre or integrated voice response telephone system and therefore was unable to track and report against 'calls forwarded to an operator within 30 seconds' and 'calls abandoned before being answered' performance indicators, as required under the EIP Code. In 2020-21, Rimfire Energy resolved this issue through systems upgrades.

Jacana Energy advised contributing factors to its improvement included further optimisation of the triage model introduced in August 2022 through improved resourcing, rostering and staff training on simple enquiries; skills-based routing, which enabled prioritisation of specific call types to ensure those with simple enquiries could be serviced more quickly; and a strong focus on real-time management and intra-day rostering.

Rimfire Energy attributed the improvement in its outcomes to replacement of its telephone system which enabled improvements in incoming call handling during business hours.

Complaints

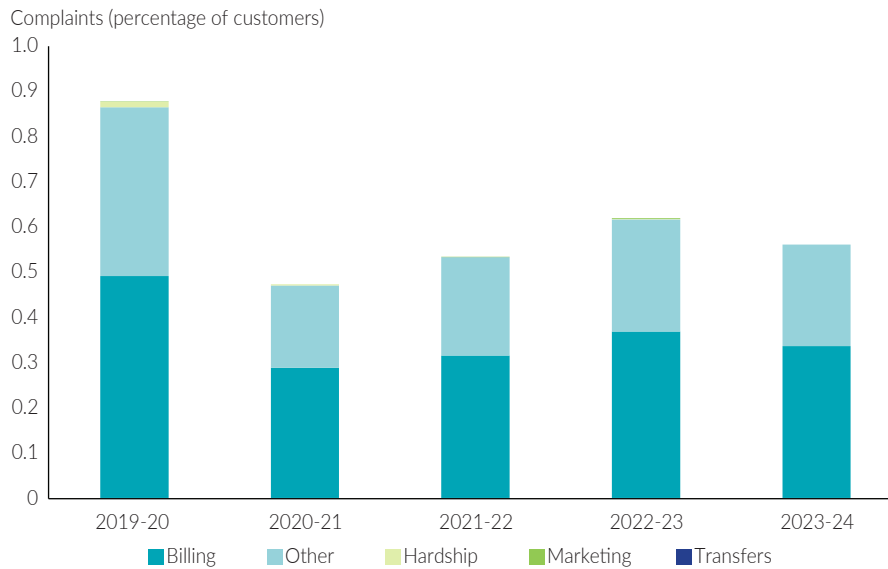
Complaints are recorded and categorised by retailers as billing, marketing, transfers, hardship or other with these defined as follows:

- billing – includes complaints about prices, billing errors, payment arrangements, debt recovery practices and disconnections
- marketing – includes complaints about sales practices, advertising, contract terms and misleading conduct
- transfers – includes complaints about timeliness of transfer, disruption of supply due to transfer and billing problems directly associated with a transfer
- hardship – refers to complaints associated with customer hardship measures
- other – includes complaints about customer service, privacy issues, failure to respond to complaints, and health and safety issues.

Customer complaints as a percentage of total customers (all retailers) for the five years to 2023-24 are shown in Figure 4, segmented by complaint category. There was a decrease in both the total number of complaints and complaints as a percentage of customers in 2023-24 with the latter down to 0.56% in 2023-24 (from 0.61% in 2022-23). The Commission notes the level of complaints in the Territory is currently less than a third of the average for retailers in NECF jurisdictions (1.8%).¹⁷

¹⁷ AER Retail energy market performance data, Schedule 3, 2023-24: <https://www.aer.gov.au/publications/reports/performance/retail-energy-market-performance-update-quarter-4-2023-24>.

Figure 4: Customer complaints as a percentage of total small customers by category



The decrease reflects a reduction in complaints to Jacana Energy (complaints to Rimfire Energy were few in number). Jacana Energy advised the main drivers for the decrease in complaints in 2023-24 were improved first call resolution and dispute resolution processes through better engagement with PWC as network provider.

Dispute resolution

Where a customer is in dispute with a licensee owned by the Territory Government such as Jacana Energy, the complainant can seek assistance from Ombudsman NT. The Commission notes, however, for customers of privately-owned retailers, there is no external dispute resolution body although NT Consumer Affairs may be able to assist in resolving a dispute by providing a conciliation service.¹⁸

Notwithstanding that data on approaches to the Ombudsman NT in relation to retailing of electricity is limited to Jacana Energy, the Commission considers it provides valuable information given the majority of complaints are made to Jacana Energy. As shown in Table 3, approaches to the Ombudsman NT in relation to Jacana Energy declined in 2023-24 to 118, down from 131 in 2022-23. However, as a percentage of complaints to Jacana Energy (which indicates the extent of complaints that could not be resolved and were escalated to another entity for further assistance), approaches to the Ombudsman NT were relatively stable (24.2% compared with 24.6% in 2022-23). The key issues raised in approaches to the Ombudsman NT were in relation to excessive charges (35 approaches), which includes issues arising from consumption estimation processes and payment of refunds, followed by changed circumstances (21 approaches), which includes problems arising from change in address or living arrangements, administration of estates and failure to disconnect on departure.¹⁹

¹⁸ Refer <https://consumeraffairs.nt.gov.au/for-consumers/complaints-and-disputes>.

¹⁹ Ombudsman NT, 2023-24 Ombudsman Annual Report. <https://www.ombudsman.nt.gov.au/publications>.

Table 3: Approaches to Ombudsman NT regarding Jacana Energy

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|--|---------|---------|---------|---------|---------|
| Approaches to the Ombudsman NT | | | | | |
| Jacana Energy | 141 | 115 | 86 | 131 | 118 |
| Change (%) | | - 18.4 | - 25.2 | 52.3 | - 9.9 |
| Approaches to the Ombudsman NT as a percentage of retail complaints | | | | | |
| Jacana Energy | 19.3% | 29.1% | 19.5% | 24.6% | 24.2% |
| Change (ppt) ¹ | | 9.8 | - 9.7 | 5.2 | - 0.4 |

1 Percentage point change from previous year.

In comparison to NECF jurisdictions, the number of complaints to Ombudsman NT regarding Jacana Energy as a percentage of total complaints to Jacana Energy (24.2%) is lower than the percentage of retailer complaints to ombudsmen in New South Wales (32.1%), South Australia (31%) and Queensland (29%).²⁰ However, the Australian Capital Territory and Tasmania have a lesser percentage of customers turning to ombudsmen for assistance (8.1% and 4.6%, respectively). The Commission notes complaint counting methods may vary by ombudsman but the comparison provides reassurance that Jacana Energy's performance remains comparable with retailers in other jurisdictions.

²⁰ Utilities Commission calculation based on data from AER Annual Retail Market Report 2023-24 – Charts and Data (<https://www.aer.gov.au/publications/reports/performance/annual-retail-markets-report-2023-24>) and AER Retail energy market performance data, Schedule 3 (<https://www.aer.gov.au/publications/reports/performance/retail-energy-market-performance-update-quarter-4-2023-24>).

Payment difficulties and hardship

For residential and small business customers consuming less than 160 MWh per annum, this chapter reports on:

- debt level of customers
- customers on payment plans or hardship programs
- disconnections for non-payment
- prepayment meter disconnections.

The chapter presents quarterly data over the five-year period to 2023-24 (where available) showing the percentage of customers with payment difficulties and hardship, and levels of debt. As data on the total number of customers is only available at 30 June each year, the Commission has used the 30 June number in its calculations of percentage estimates (of the total customer base) presented in this chapter. Further, for the purpose of showing the change between years and making comparisons with NECF jurisdictions, the Commission has used the final quarter (Q4, which ends 30 June each year) estimates, noting 2023-24 Q4 is the most current and accurate observation of customers with payment difficulties and hardship.

This NTERR includes revisions to historical data relating to payment plans and hardship programs provided by retailers. Accordingly, information presented in the figures in this chapter may differ from those in previous NTERRs.

Debt

The EIP Code requires retailers in the Territory to report on the number of residential and small business customers with energy bill debt (defined as debt outstanding for 90 days or longer from the date a bill is due²¹) and the average energy bill debt of customers, with both indicators excluding hardship customers, which are reported separately. These indicators provide insight on the difficulty customers are having in paying electricity bills and the effectiveness of retailers' processes for managing customers experiencing payment difficulties.

Residential customers (excluding hardship customers)

Figure 5 shows in 2023-24, the percentage of residential customers with energy bill debt and the average level of debt remain at elevated levels, with these indicators about twice as high as those in 2019-20. At 30 June 2024, 3.3% of residential customers had an energy bill debt, which was an improvement (a decline of 0.7 percentage points) on the percentage in the same period in the previous year (Table 4) and was associated with a 12.6% decrease in the underlying number of residential customers with energy bill debt. However, the average energy bill debt among those customers rose to \$1,467, up from \$1,404 (an increase of 4.5%) in the same period in 2022-23.

²¹ AER, AER (Retail Law) Performance Reporting Procedures and Guidelines, April 2018, version 3: <https://www.aer.gov.au/documents/aer-retail-law-performance-reporting-procedures-and-guidelines-january-2019>.

Figure 5: Level of residential customer debt (90 days or greater), quarterly

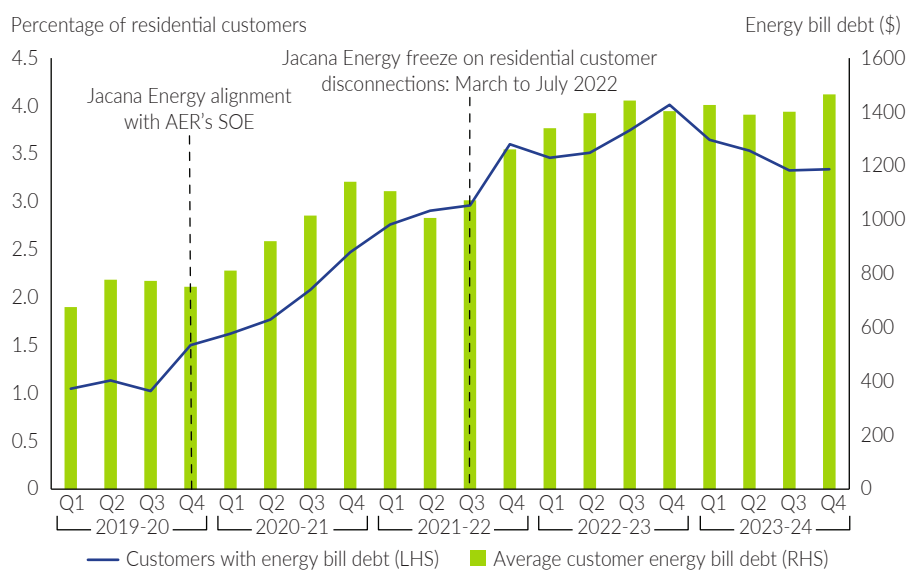


Table 4: Level of residential customer debt (90 days or more)

| At 30 June | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|--|---------|---------|---------|---------|---------|
| Residential customers with debt (%) ¹ | 1.5 | 2.5 | 3.6 | 4.0 | 3.3 |
| Change (ppt) ² | | 1.0 | 1.1 | 0.4 | -0.7 |
| Average residential customer debt (\$) | 752 | 1 142 | 1 263 | 1 404 | 1 467 |
| Change (%) ³ | | 51.9 | 10.5 | 11.2 | 4.5 |

1 Number of residential non-hardship customers with energy bill debt as a percentage of total residential customers in the Territory, Q4.

2 Percentage point change in the percentage of residential customers with energy bill debt from Q4 of the previous year.

3 Percentage change in average residential customer energy bill debt from Q4 of the previous year.

The Commission notes average residential customer debt in the Territory in Q4 of 2023-24 (\$1,467) was higher than the average for NECF jurisdictions as a whole (\$1,148) but the difference narrowed by about \$100 (average debt was \$1,404 in the Territory and \$986 for NECF jurisdictions in 2022-23).²² There was, however, considerable variation in average residential customer debt across NECF jurisdictions, ranging from \$750 in Tasmania to \$1,522 in South Australia. The percentage of residential customers with energy bill debt in the Territory in Q4 of 2023-24 (3.3%) was higher than the percentage for NECF jurisdictions as a whole (2.9%)²³ but within the range across jurisdictions (from 2.1% in Queensland to 4.9% in Tasmania).

The Commission observes that the high level of debt in the Territory occurs despite the CSO and other subsidies provided by the Territory Government. In the absence of these, the difference in average debt between the Territory and other jurisdictions could be even greater.

22 AER Retail energy market performance data for Q4, 2023-24, Schedule 3: <https://www.aer.gov.au/publications/reports/performance/retail-energy-market-performance-update-quarter-4-2023-24>.

23 Utilities Commission calculation based on AER Retail energy market performance data for Q4, 2023-24, Schedule 2 and Schedule 3: <https://www.aer.gov.au/publications/reports/performance/retail-energy-market-performance-update-quarter-4-2023-24>.

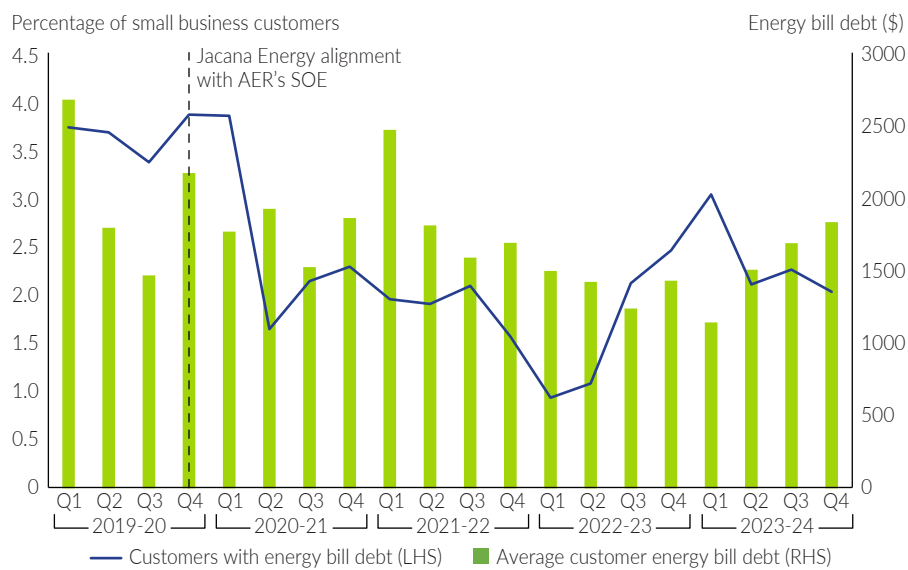
The bulk of residential energy bill debt in the Territory is held by Jacana Energy (consistent with its large share of residential customers) so its actions in relation to managing customer debt drives trends in the indicators. This can be seen in 2020-21 and 2021-22 when there was an increase in indebtedness as Jacana Energy temporarily ceased normal debt collection measures and disconnections for overdue debt due to alignment with the AER's *Statement of expectations for energy businesses: Protecting customers and the energy market during COVID-19* (AER's SOE), and following a material breach of life support obligations in the Electricity Retail Supply Code²⁴. The resumption of normal processes during 2022-23 and 2023-24 may be lessening growth in the debt indicators but the Commission remains concerned at the level of debt in the Territory, with this to the detriment of customers and Jacana Energy's financial performance.

Small business customers

An upturn in the percentage of small business customers with energy bill debt that commenced in 2022-23 peaked in the first quarter (Q1) of 2023-24 at 3.1% before declining to 2% in Q4 of 2023-24 (Figure 6). While the trend is positive, the percentage of small business customers with energy bill debt is still twice as high at the beginning of 2022-23 when the percentage was around 1%.

For average small business customer energy bill debt, the trend differs with a general downward movement in average debt since Q1 of 2021-22, reversing after Q1 of 2023-24. In Q4 of 2023-24, average energy bill debt among small business customers had increased to \$1,844, up from \$1,439 (28.1%) in Q4 of the previous year (Table 5).

Figure 6: Level of small business customer debt (90 days or more), quarterly



24 Further information on the breach can be found in the Commission's Annual Compliance Monitoring Report 2021-22: https://utilicom.nt.gov.au/__data/assets/pdf_file/0004/1166647/Utilities-Commission-Annual-Compliance-Monitoring-Report-2021-22.pdf.

Table 5: Level of small business customer debt (90 days or more)

| At 30 June | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---------|---------|---------|---------|---------|
| Small business customers with debt (%) ¹ | 3.9 | 2.3 | 1.6 | 2.5 | 2.0 |
| Change (ppt) ² | | - 1.6 | - 0.7 | 0.9 | - 0.4 |
| Average small business customer debt (\$) | 2 186 | 1 873 | 1 701 | 1 439 | 1 844 |
| Change (%) ³ | | - 14.3 | - 9.2 | - 15.4 | 28.1 |

1 Number of small business customers with energy bill debt as a percentage of total small business customers in the Territory, Q4.

2 Percentage point change in the percentage of small business customers with energy bill debt from Q4 of the previous year.

3 Percentage change in average energy bill debt from Q4 of the previous year.

Despite these results, the Territory continues to compare favourably to NECF jurisdictions although the Commission cautions that this may be due, in part, to the EPO tariffs, which lower the cost of electricity for small business in the Territory. In Q4 of 2023-24, 3.4% of business customers in NECF jurisdictions had an energy bill debt²⁵ and the average debt for those customers was \$2,363²⁶. Among NECF jurisdictions, debt indicators were highest in New South Wales (4.1% of business customers and an average debt of \$2,698). The lowest proportion of business customers with energy bill debt was reported in Tasmania (1.5%) while Queensland reported to lowest level of average energy bill debt (\$1,701).

Payment plans – residential customers

A payment plan is generally the first step in assisting a customer experiencing payment difficulties of a short-term nature, often stemming from a sudden or unexpected change in circumstance. A payment plan enables a customer to spread payments into regular smaller amounts to assist in paying off a current bill before the next is received.²⁷

Figure 7 shows the percentage of residential customers on a payment plan in the Territory (excluding hardship customers) over the past five years. There is a break in the time series in 2021-22, with data prior to this including customers with payment plan arrangements of less than three instalments, which is inconsistent with EIP Code reporting requirements. This means data prior to the break overstates the percentage of residential customers on a payment plan and is not comparable in quantum with subsequent years. However, trends in the data from these years remain relevant in demonstrating evidence of seasonality, with the percentage of residential customers on a payment plan typically being lower in the first two quarters and highest in Q4 of a year.

Seasonality in the data may be reflective of customers experiencing financial pressures following the Christmas holiday period, or dealing with the financial impact of increased electricity consumption during the wet season in the Top End and summer heat in the south of the Territory.

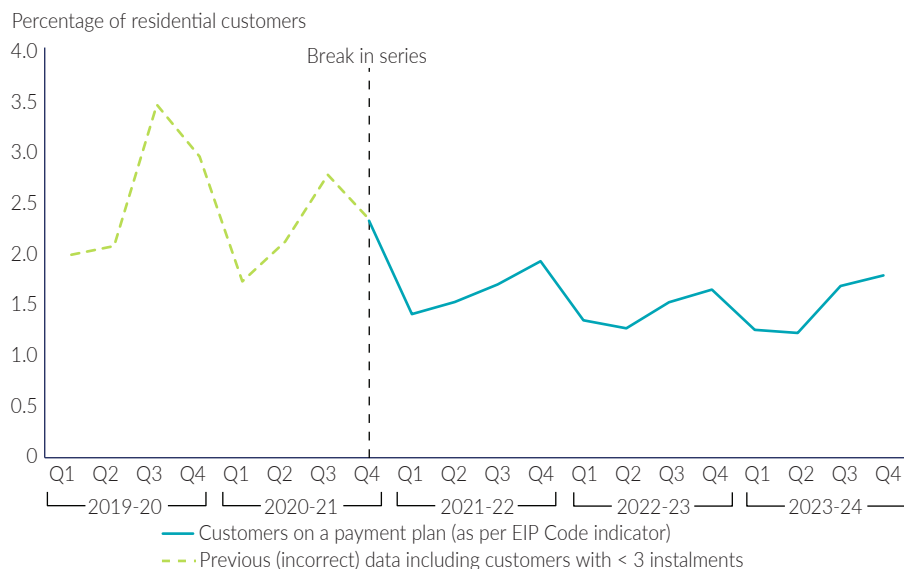
25 Utilities Commission calculation based on AER Retail energy market performance data for Q4, 2023-24, Schedule 2 and Schedule 3: <https://www.aer.gov.au/publications/reports/performance/retail-energy-market-performance-update-quarter-4-2023-24>.

26 AER Retail energy market performance data for Q4, 2023-24, Schedule 3: <https://www.aer.gov.au/publications/reports/performance/retail-energy-market-performance-update-quarter-4-2023-24>.

27 Jacana Energy. Payment extensions website: <https://jacanaenergy.com.au/your-home/billing-and-payments/payment-extensions>.

Jacana Energy also provided revised data to the Commission for 2021-22 with the corrected data being substantially lower. The revised results in the percentage of residential customers on a payment plan are less variable than previously shown with the percentage now ranging between 1.2% and 1.9% over the three-year period from 2021-22 to 2023-24.

Figure 7: Percentage of residential customers on a payment plan, quarterly



In Q4 of 2023-24, 1.8% of residential customers were on a payment plan, a level similar to Q4 of the two previous years (Table 6). This was the same as reported by NECF jurisdictions (1.8% overall).²⁸ The percentage of customers on a payment plan ranged, however, from 0.6% in the Australian Capital Territory to 2.3% in Queensland.

Table 6: Percentage of residential customers on a payment plan

| At 30 June | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|----------------------------|---------|---------|---------|---------|
| Territory (%) ¹ | 2.3 | 1.9 | 1.7 | 1.8 |
| Change (ppt) ² | | - 0.4 | - 0.3 | 0.1 |

Note: Data consistent with EIP Code requirements is not available for 2018-19 and 2019-20. Results for 2021-22 include Jacana Energy-revised data and may vary from previous NTERRs.

1 Number of residential customers on a retailer's payment plan as a percentage of total residential customers in the Territory, Q4.

2 Percentage point change in the percentage of residential customers on a payment plan from Q4 of the previous year.

28 AER Retail energy market performance data for Q4, 2023-24, Schedule 3: <https://www.aer.gov.au/publications/reports/performance/retail-energy-market-performance-update-quarter-4-2023-24>.

Hardship programs – residential customers

A hardship program is generally the next line of support for a customer where a standard payment plan is not sufficient and the customer is facing longer term and more entrenched financial difficulties. A hardship program is ideally tailored to the individual customer and actively managed by the retailer. It should keep a customer engaged with their retailer and where possible strive to reduce debt and move a customer back to being a 'regular bill cycle customer'.

The percentage of residential customers on a hardship program in the Territory peaked in 2020 at around 1%, and the general downward trend since that time continued over 2023-24 (Figure 8). In Q4 of 2023-24, 0.4% of residential customers in the Territory were on a hardship program, down 0.1 percentage point from the same time in the previous year (Table 7). Underlying this was a decrease of 11.3% in the number of customers on a hardship program.

Figure 8: Residential customers on a hardship program, quarterly

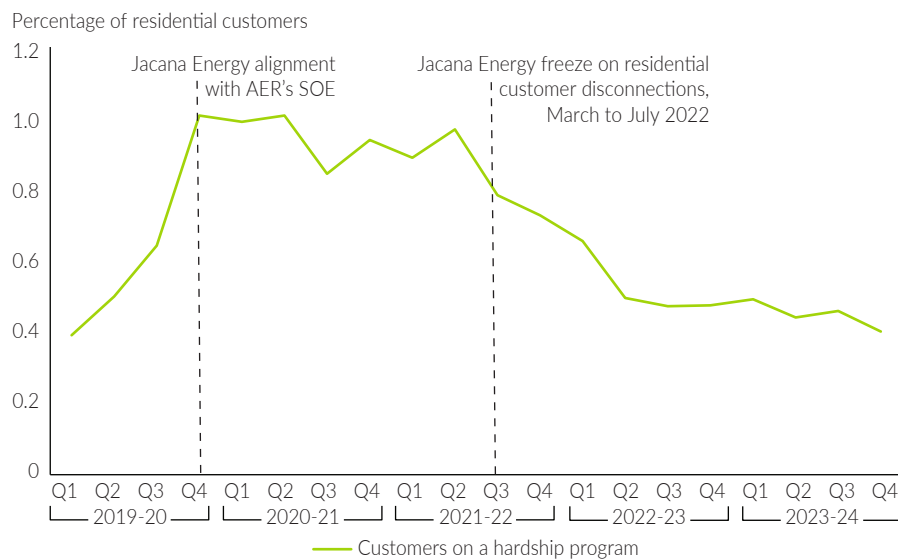


Table 7: Percentage of residential customers on a hardship program

| At 30 June | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|----------------------------|---------|---------|---------|---------|---------|
| Territory (%) ¹ | 1.0 | 1.0 | 0.7 | 0.5 | 0.4 |
| Change (ppt) ² | | - 0.1 | - 0.2 | - 0.3 | - 0.1 |

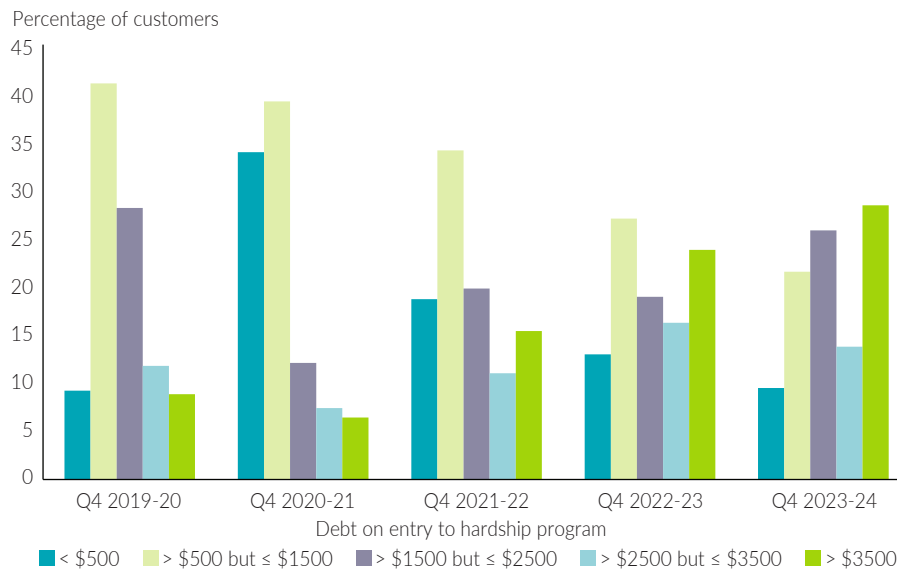
1 Number of residential customers on a retailer's hardship program as a percentage of total residential customers in the Territory, Q4.

2 Percentage point change in the percentage of residential customers on a retailer's hardship program from Q4 of the previous year.

In Q4 of 2023-24, the average debt of customers in a hardship program in the Territory was \$2,202, down from \$2,269 (-3%) in Q4 of the previous year. The average debt of a customer in the hardship program was substantially higher than the average Territory residential customer energy bill debt (\$1,467), reflecting that hardship customers typically face longer term, entrenched financial difficulties.

While the reduction in the average debt of customers in a hardship program is encouraging, the Commission notes the average debt of customers entering a hardship program continued to increase. In Q4 of 2023-24, average debt on entry was \$2,943, up from \$2,648 in Q4 of the previous year. The increase in average debt on entry to a hardship program reflects a shift with an increasing proportion of customers entering a hardship program with higher levels of debt (Figure 9). In Q4 of 2023-24, 42.6% of customers entering a hardship program had a debt of more than \$2,500. This was 2.2 percentage points higher than in same period in the previous year (40.4%), and double that five years previously (20.8% in Q4 of 2019-20).

Figure 9: Debt on entry to a hardship program, 2019-20 to 2023-24, Northern Territory



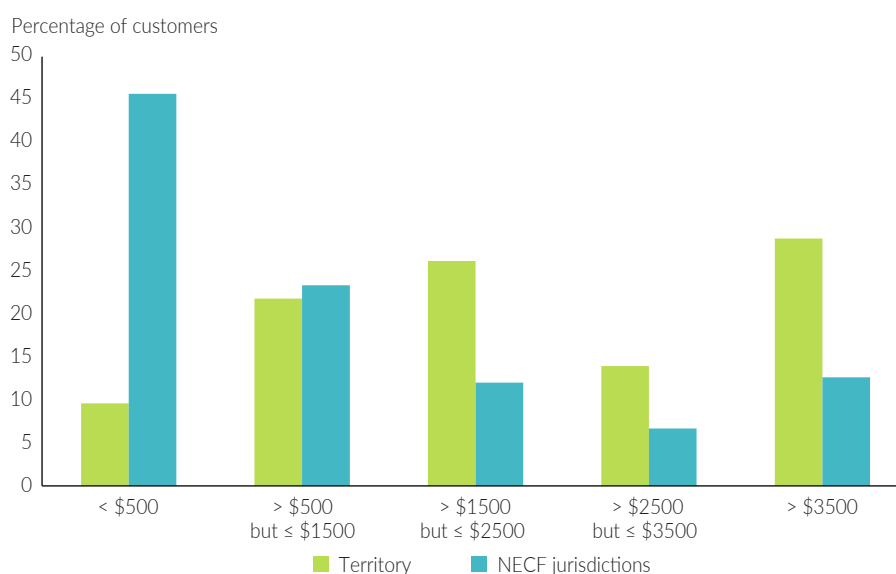
Compared to NECF jurisdictions, the percentage of customers on a hardship program in the Territory at the end of 2023-24 (0.4%) continued to be substantially lower than in NECF jurisdictions. The gap also widened due to an increase in NECF jurisdictions where overall the percentage of customers on a hardship program rose from 1.4% in Q4 of 2022-23 to 1.9% in Q4 of 2023-24.²⁹ In individual NECF jurisdictions, the percentage of customers on hardship programs ranged from 1.1% in Queensland to 2.4% in South Australia in Q4 of 2023-24.

The average debt of a hardship customer in the Territory (\$2,202) did not however compare favourably to NECF jurisdictions overall, which was lower at \$1,687.³⁰ This is consistent with the distribution of debt levels on entry to a hardship program where the Territory has a notably lower percentage of customers entering hardship programs with debts less than \$500 compared with NECF jurisdictions and a higher percentage with debt in excess of \$1,500 (Figure 10).

²⁹ AER Retail energy market performance data for Q4, 2023-24, Schedule 4 available at <https://www.aer.gov.au/publications/reports/performance/retail-energy-market-performance-update-quarter-4-2023-24>.

³⁰ Ibid.

Figure 10: Debt on entry to a hardship program, Northern Territory and NECF jurisdictions, 30 June 2024



As noted in last year’s NTERR, Jacana Energy attributed its high average debt on entry to a hardship program in part to repeated Stay Connected plans. Jacana Energy advised that system limitations mean any modification of a Stay Connected (hardship) plan requires the plan to be cancelled and re-established with outstanding debt carried over when the customer enters a subsequent plan. While this may in part explain the upward trend in average debt on entry, the Commission remains concerned that hardship programs (and payment plans) may not be providing sufficient support or suitable options for customers to avoid accruing further debt. However, the Commission notes Jacana Energy’s advice it has flexible longer-term payment plan options outside its hardship program, Jacana Energy works with social services stakeholders to tailor its hardship program to meet the needs of customers and that successful completion of Stay Connected plans remains a continued area of focus for Jacana Energy in 2024-25.

Disconnections

The threat of disconnection may encourage a customer having difficulty meeting the cost of their energy usage to engage with their retailer to be placed on a payment plan. However in general, the Commission considers disconnections for non-payment should be considered as a last resort when a payment plan or hardship program has been unsuccessful in addressing non-payment.

Residential customers

The percentage of residential customers disconnected for non-payment during 2020-21 and 2021-22 was low due to Jacana Energy’s suspension of disconnections, however following the return to business-as-usual disconnection processes, the rate of disconnections increased (Figure 11). In Q4 of 2023-24, 0.7% of residential customers in the Territory were disconnected for non-payment, up from 0.4% the previous year (Table 8). This reflects a doubling in the underlying number of customers disconnected, with these now at levels similar to those prior to the COVID-19 pandemic.

Figure 11: Percentage of residential customers disconnected for non-payment, quarterly

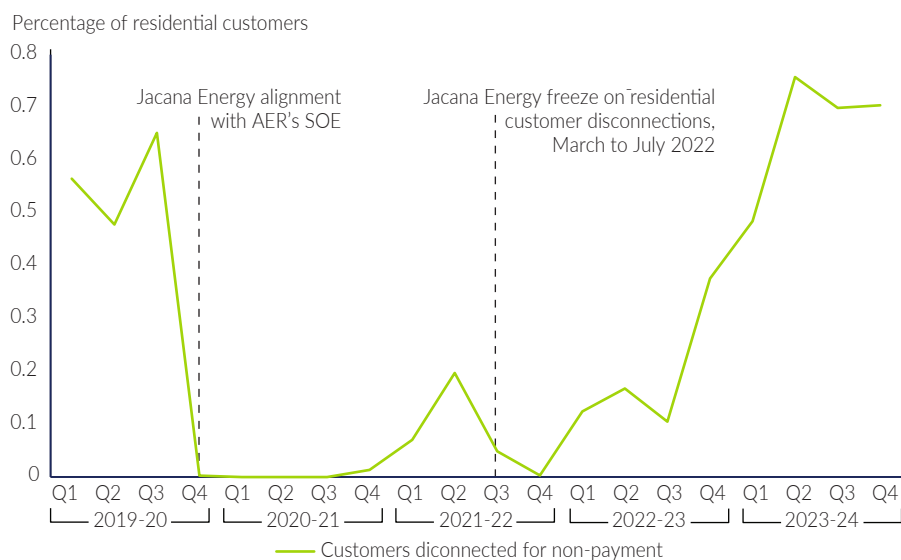


Table 8: Percentage of residential customers disconnected for non-payment

| At 30 June | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|----------------------------|------------------|------------------|---------|---------|---------|
| Territory (%) ¹ | 0.0 ² | 0.0 ² | 0.0 | 0.4 | 0.7 |
| Change (ppt) ³ | | 0.0 | 0.0 | 0.4 | 0.3 |

- 1 Number of residential customers disconnected for non-payment as a percentage of total residential customers in the Territory, Q4.
- 2 In 2019-20 and 2020-21 Jacana Energy implemented measures in accordance with the AER's SOE including cessation of disconnections for non-payment. This resulted in very low numbers of disconnections in Q4 of each year.
- 3 Percentage point change in the percentage of residential customers disconnected for non-payment from Q4 of the previous year.

The proportion of disconnections in the Territory is higher than in NECF jurisdictions (0.06% overall).³¹ In Q4 of 2023-24, disconnections in NECF jurisdictions ranged from 0.02% in Queensland to 0.09% in South Australia.

Of residential customers disconnected in Q4 of 2023-24 in the Territory, 35% were reconnected within seven days, up from 32.3% in Q4 of the previous year. This is lower than the proportion for NECF jurisdictions (40.7% overall) but there was substantial variation between NECF jurisdictions with the proportion of disconnected customers who were reconnected within seven days ranging from 24.8% in Tasmania to 55% in South Australia.³²

Small business customers

In 2023-24, the percentage of small business customers disconnected due to non-payment continued to vary from quarter to quarter. While trending upward over the year, the percentage of small business customers disconnected remained below levels occurring prior to Jacana Energy's alignment with the AER's SOE (Figure 12). In Q4 of 2023-24, 0.3% of small business customers were disconnected due to non-payment, up from 0.1% in Q4 of 2022-23 (Table 9).

31 AER Retail energy market performance data for Q4, 2023-24, Schedule 3: <https://www.aer.gov.au/publications/reports/performance/retail-energy-market-performance-update-quarter-4-2023-24>.

32 Ibid.

Figure 12: Percentage of small business customers disconnected for non-payment, quarterly

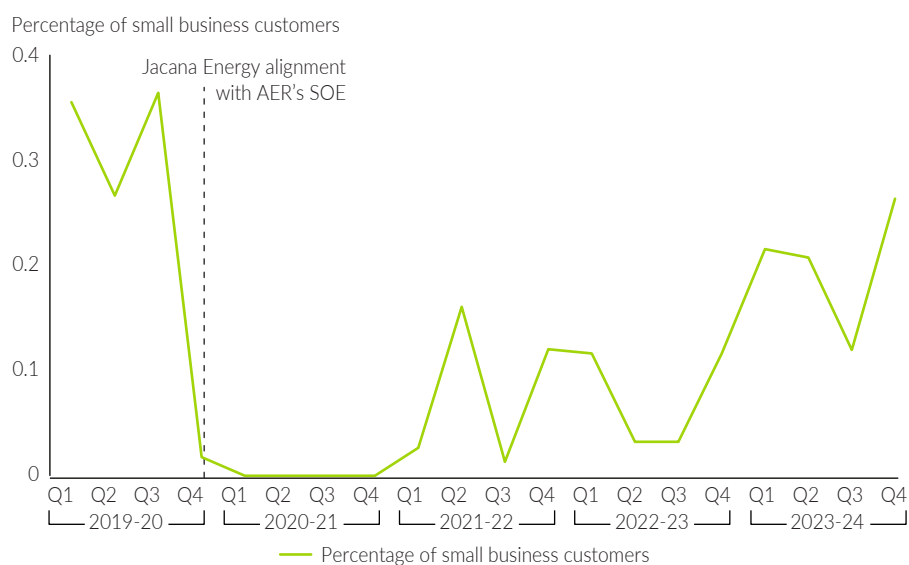


Table 9: Percentage of small business customers disconnected for non-payment

| At 30 June | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|----------------------------|------------------|------------------|---------|---------|---------|
| Territory (%) ¹ | 0.0 ² | 0.0 ² | 0.1 | 0.1 | 0.3 |
| Change (ppt) ³ | | 0.0 | 0.1 | 0.0 | 0.1 |

1 Number of small business customers disconnected for non-payment as a percentage of total small business customers in the Territory, Q4.

2 In 2019-20 and 2020-21 Jacana Energy implemented measures in accordance with the AER's SOE including cessation of disconnections for non-payment. This resulted in very low numbers of disconnections in Q4 of each year.

3 Percentage point change in the percentage of small business customers disconnected for non-payment from Q4 of the previous year.

The percentage of small business customer disconnections in the Territory was higher than in NECF jurisdictions where, overall, 0.05% of small business customers were disconnected for non-payment in Q4 of 2023-24.³³ The percentage of disconnections ranged from 0.01% in Queensland to 0.06% in New South Wales, South Australia and Tasmania.

Of small business customers disconnected in Q4 of 2023-24 in the Territory, 39.4% were reconnected within seven days, a figure twice that in Q4 of the previous year (16.7%³⁴).

This is higher than the average for NECF jurisdictions (34% overall), however there is considerable variability in outcomes across jurisdictions, with the proportion ranging from 19% in Tasmania to 71.4% in the Australian Capital Territory.

³³ Ibid.

³⁴ The percentage for 2022-23 has been revised from 17.7% to 16.7%, following identification of an error in the Commission's calculations for the 2022-23 NTERR.

Prepayment meters

A prepayment meter is a type of meter requiring the customer to pay for electricity in advance of usage. It works similar to a pay-as-you-go mobile phone plan and is an option to assist in managing consumption. It also may help avoid bill shock, payment difficulties and associated hardship related to a customer's electricity supply. Prepayment meters allow for small regular payments prior to consumption, rather than potentially receiving a large bill in arrears, and provides real-time feedback on a customer's consumption. The Commission considers, at a high level, prepayment meters have both positive and negative aspects compared with traditional post-payment meters, and are one option among others for managing payment difficulties and hardship.

Historical and comprehensive data relating to prepayment meters in the Territory is limited as the obligation to report data on prepayment meters in the three regulated power systems was only introduced relatively recently in the EIP Code. Data is provided by Jacana Energy, with Rimfire Energy having no prepayment meter customers.

Prior to 2023-24, the Commission received data on the number of prepayment meters capable of reporting disconnections but not on the number of prepayment meters that reported disconnections (customer self-disconnections). This data has been updated and consequently, Tables 10 and 11 differ from those in previous NTERR. The tables now present information on the proportion of prepayment customers who self-disconnected and the average number of self-disconnection events per self-disconnecting customer.³⁵

Jacana Energy advises the data on the average duration of self-disconnection events includes instances where credit has run out and the meter has not been reconnected within seven days. This typically indicates a site that has become vacant or a change in tenancy. Jacana Energy advises, however, that 99.8% of instances of self-disconnection are reconnected within seven days. Accordingly, the Commission cautions readers in interpreting the information on self-disconnections, noting it has not been adjusted for tenant turnover.

The Commission also notes that emergency and friendly credit³⁶ are available to prepayment meter customers in the Territory to prevent disconnection when normal credit is exhausted or during times when disconnection is not permitted (evenings, weekends or public holidays). They act as a 'loan' to keep the power on when a customer runs out of credit, with the amount of the loan (which accumulates on the meter as a debt) deducted the next time the customer tops up the credit on their meter. These measures mean self-disconnection typically occurs during business hours on weekdays.

There was a small increase (35 or 1.4%) in the number of prepayment meters in 2023-24 (Table 10). Of prepayment meters capable of reporting self-disconnections (99.6% of prepayment meters), 59.1% of customers recorded one or more self-disconnections. This is higher when compared with 2022-23 at 51.5% of customers but lower than previous years where the proportion of self-disconnecting customers reached 71.7% in 2019-20.

³⁵ In prior NTERR, the average number of self-disconnection events per prepayment meter (including meters where no self-disconnections occurred) was shown.

³⁶ Refer Jacana Energy's prepaid meter website at <https://www.jacanaenergy.com.au/your-home/meters-and-usage/prepaid-meters>.

Table 10: Prepayment meter indicators, Territory, 2019-20 to 2023-24

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---------------------|---------|---------|---------|---------|
| Prepayment meters at 30 June | 2 063 | 2 187 | 2 172 | 2 441 | 2 476 |
| Prepayment meters capable of reporting self-disconnections ¹ at 30 June | 2 049 | 2 173 | 2 158 | 2 430 | 2 465 |
| Proportion of customers that recorded one or more self-disconnections, Q4 (%) | 71.7 | 60.6 | 64.0 | 51.5 | 59.1 |
| Total prepayment meter self-disconnection events over the year (all quarters) | 69 888 ² | 84 439 | 89 252 | 103 895 | 79 700 |
| Prepayment meter self-disconnection events per self-disconnecting customer ³ | 47 | 63 | 63 | 82 | 55 |
| Average duration of self-disconnection events (minutes) over the year | 380 | 504 | 408 | 355 | 504 |

Note: While most prepayment meters are 'smart' meters and capable of reporting disconnections, there are a small number of older analogue meters without this functionality as there is no mobile network available in that location to facilitate a vending solution for smart prepayment meters.

1 A self-disconnection is an interruption to the supply of energy because a prepayment meter system has no credit (including emergency credit) available.

2 Does not include July 2019 as data was unavailable.

3 Based on weighted average of self-disconnected customers across the year.

Despite an increase in the proportion of prepayment customers recording self-disconnections, the total number of self-disconnection events³⁷ in 2023-24 decreased by 23.3% to 79,700 events. This equated to an average of 55 events per self-disconnecting customer, down from 82 in 2022-23. There was, however, an increase in the average duration of events for self-disconnecting customers, up from 355 minutes (about 6 hours) per event in 2022-23 to 504 minutes (over 8 hours) in 2023-24 (an increase of 42.1%).

Jacana Energy stated that each year eligible concession holders' prepayment meters receive a \$1,200 credit funded by the Territory Government (through the (former) Department of Territory Families, Housing and Communities). In 2023-24, an additional \$350 was applied under the Commonwealth and Territory governments' Energy Bill Relief Rebate initiative. The additional relief payment will continue in 2024-25 and be applicable to all meters (not just those of concession holders). Jacana Energy advised the lower volume of self-disconnections in 2023-24 may be attributed to this relief payment, however fewer self-disconnections may have raised the average duration of self-disconnections in 2023-24 as customers that self-disconnected are likely to be those who experience the greatest difficulty in paying for electricity despite concessions or relief payments. There was also a particularly high increase in the average duration of self-disconnection events in Alice Springs, which is discussed further in subsequent paragraphs.

37 The National Energy Retail Rules define a self-disconnection as 'an interruption to the supply of energy because a prepayment meter system has no credit (including emergency credit) available' (refer rule 127: <https://www.aemc.gov.au/regulation/energy-rules/regulation>).

As shown in Table 11, the proportion of self-disconnecting customers differs across the Territory's townships with the rate typically highest in Alice Springs (65.8% in Q4 of 2023-24) and generally lowest in Darwin or Katherine (54.8% and 57.8%, respectively in Q4 of 2023-24).

Typically, Alice Springs also tends to have the highest number of self-disconnection events per self-disconnecting customer although in 2023-24 the rate was highest in Tennant Creek (63 events compared to 57 in Alice Springs). Despite this, the average duration of self-disconnections in Tennant Creek was similar to Darwin with both regions having an average duration of about 400 minutes (about 6.7 hours) per disconnection event. In contrast, the average duration of self-disconnection events in Alice Springs was 692 minutes (about 11.5 hours).

Table 11: 2023-24 prepayment meter data by region

| | Darwin | Katherine | Alice Springs | Tennant Creek |
|---|--------|-----------|---------------|---------------|
| Prepayment meters capable of reporting self-disconnections ¹ at 30 June 2024 | 522 | 785 | 611 | 547 |
| Proportion of customers that reported one or more self-disconnections, Q4 2024 (%) | 54.8 | 57.8 | 65.8 | 57.6 |
| Total prepayment meter self-disconnection events over the year | 12 895 | 23 874 | 22 092 | 20 839 |
| Prepayment meter self-disconnection events per self-disconnecting customer over the year ² | 46 | 52 | 57 | 63 |
| Total prepayment meter self-disconnection events per meter over the year ³ | 25 | 31 | 37 | 39 |
| Average duration of self-disconnection events (minutes) over the year | 396 | 477 | 692 | 404 |

1 A self-disconnection is an interruption to the supply of energy because a prepayment meter system has no credit (including emergency credit) available.

2 Based on weighted average of self-disconnected customers over the year.

3 Based on simple average of prepayment meters over the year.

As noted earlier, the average duration of disconnection events increased between 2022-23 and 2023-24. The increase was particularly high in Alice Springs where the average duration increased by 291 minutes (72.6%). In other townships, the increase in the average duration of disconnection events ranged from 54 minutes in Darwin to 121 in Katherine.

Jacana Energy advised that extreme temperatures during December 2023 in addition to the Christmas and Boxing Day public holidays falling directly after a weekend increased the volume of self-disconnections in Alice Springs. Due to the weekend and public holidays, prepayment meter customers were able to access four continuous days of friendly credit and were at risk of a higher debt when adding credit after the public holidays. Jacana Energy advised it worked closely with stakeholders in Alice Springs during this period to ensure adequate support was available for customers requiring hardship credits to be applied to their meter.

The Commission notes the NTERR does not report on self-disconnection events in remote communities in the Territory and the Commission does not hold such data (the EIP Code only requires retailers to report on prepayment meters in the three regulated power systems). Further, there is limited publicly available data relating to prepayment meters in other jurisdictions, which constrains the Commission's ability to benchmark prepayment meter indicators in the Territory.

While data for prepayment meters in remote communities in South Australia was available for the 2022-23 NTERR, further information from that source³⁸ was not available at the time of preparing the 2023-24 NTERR. However, the Commission will include relevant comparisons in future NTERR as data allows. While the data indicates self-disconnection rates are high in the Territory and differ across regions, further research is needed to understand the factors contributing to these differences and the value (or otherwise) of prepayment meters to customers.

38 Essential Services Commission of South Australia. Cowell Electric Supply Pty Ltd - Prepayment metering data analysis: <https://www.escosa.sa.gov.au/industry/electricity/regulatory-performance/small-scale-electricity-networks/cowell-electric>.

Abbreviations and glossary

| | |
|-------------------------|---|
| AER | Australian Energy Regulator |
| AER's SOE | <i>AER's Statement of expectations of energy businesses: Protecting customers and the energy market during COVID-19</i> |
| CSO | Community service obligation payment provided to retailers by the Territory Government to account for the difference between regulated electricity tariffs and the cost of supply. |
| EIP Code | Electricity Industry Performance Code |
| energy bill debt | As defined by the AER's definition of the dollar amount owed to the retailer for the sale and supply of gas or electricity, excluding other services, which has been outstanding to the energy retailer for a period of 90 calendar days or more. An amount owing after the final bill has been issued by a retailer to a customer on termination of a customer contract (for example, where a customer changes retailer) is not counted as energy bill debt. |
| EPO | Electricity Pricing Order |
| Jacana Energy | Jacana Energy is a government owned corporation established in accordance with the <i>Government Owned Corporations Act 2001</i> . Jacana Energy has a licence to trade, sell and retail electricity in the Territory's electricity supply industry. |
| MWh | megawatt hour, 1 MWh = 1 million watt hours |
| NECF | National Energy Customer Framework adopted by the Australian Capital Territory, New South Wales, Queensland, South Australia and Tasmania |
| NTERR | Northern Territory Electricity Retail Review |
| Ombudsman NT | Established under the <i>Ombudsman Act 2009</i> , the Ombudsman NT resolves and investigates complaints about Northern Territory Government departments and authorities, local government councils and police conduct. |
| PWC | Power and Water Corporation, a government owned corporation established in accordance with the <i>Government Owned Corporations Act 2001</i> . PWC currently has a licence to operate the electricity network and to perform system control operations. It also holds retail and generation licences in respect to supplying electricity to remote and indigenous communities |
| Q1, Q2, Q3, Q4 | The quarters of a financial year: Q1 (1 July to 30 September); Q2 (1 October to 31 December); Q3 (1 January to 31 March); and Q4 (1 April to 30 June). |
| residential customer | A customer with consumption less than 160 MWh per annum (as defined in the EIP Code) and charged a domestic tariff in accordance with the EPO. |
| Rimfire Energy | Rimfire Energy Pty Ltd is a privately owned entity and holds a licence to trade, sell and retail electricity in the Territory's electricity supply industry. |
| self-disconnection | As defined under the National Energy Retail Rules (rule 127), self-disconnection means an interruption to the supply of energy because a prepayment meter system has no credit (including emergency credit) available. |
| small business customer | A customer with consumption of less than 160 MWh per annum (as defined in the EIP Code) and charged a commercial tariff in accordance with the EPO. |
| Territory | The Northern Territory of Australia. |