

Ombudsman's Overview

In this issue of Res Online, we highlight two issues EWOV is watching carefully, because cases about them have been noticeably on the rise.

The first issue is [debt collection](#). In the January to March 2014 quarter (compared with the January to March 2013 quarter), 62% more electricity customers and 103% more gas customers raised debt collection as their main issue. Debt collection is one of three inter-related sub-issues in our credit issues category—all three are indicators of affordability problems and financial hardship. You can read more [here](#) about customer complaints about debt collection action and what we think could be done to help reduce debt collection cases to EWOV.

The second issue is [unplanned supply outages](#) — especially electricity outage cases, which were up 49% in the January to March 2014 quarter compared with the January to March 2013 quarter. Around half of the customers lodging these cases complained about damage and/or loss, followed by outage frequency, inconvenience and duration. You can read more [here](#) about how customers have said they were affected and what we think could be done to help reduce unplanned outage cases to EWOV.

If you have some content ideas for future issues of Res Online, please send them to Matt Helme, EWOV's Research and Communications Manager via RCT@ewov.com.au



Cynthia Gebert
Energy and Water Ombudsman
(Victoria)

Cases, Complaints, Enquiries - a Snapshot

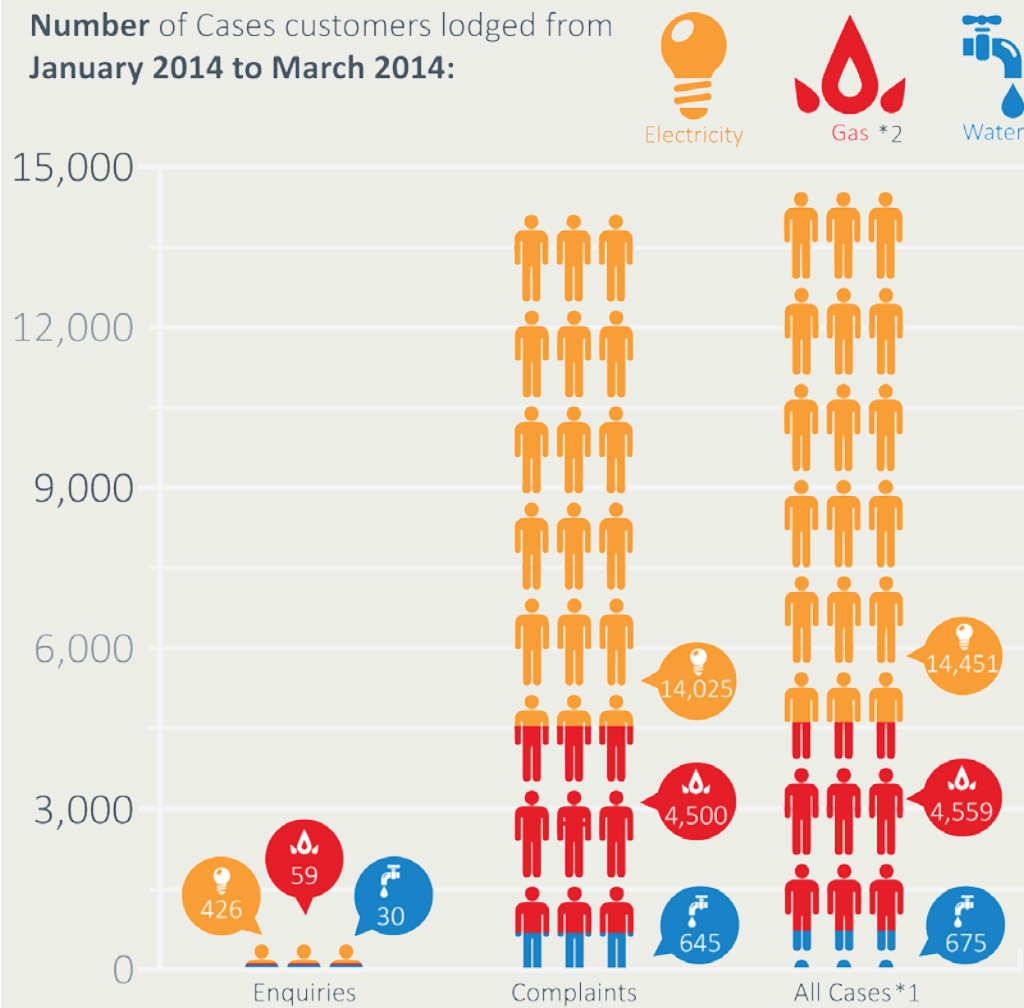
A Snapshot



Cases customers lodged from
January 2014
to **March 2014**

Cases Customers Lodged

Number of Cases customers lodged from
January 2014 to March 2014:

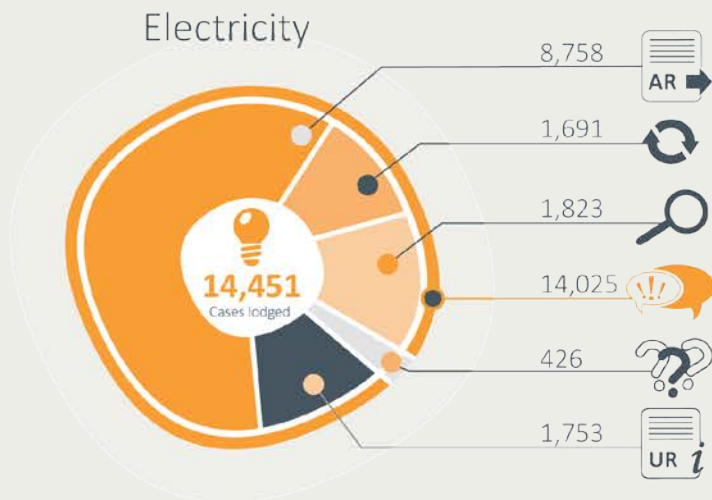


*1 This does not include 60 Dual Fuel and 85 other industry cases

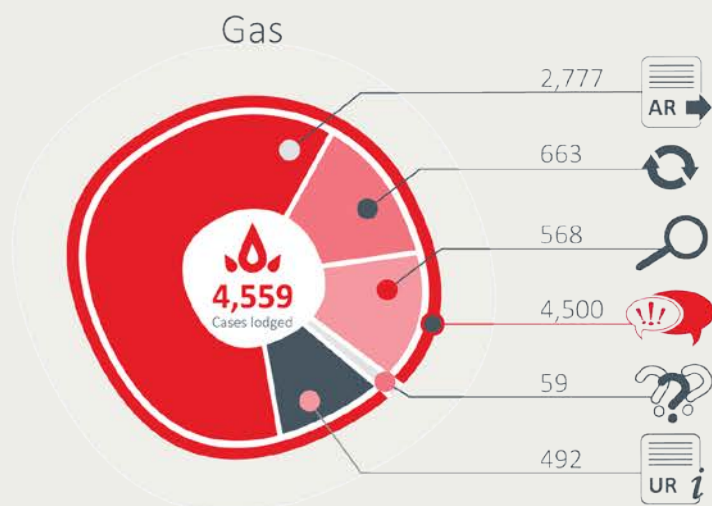
*2 Gas includes Natural Gas and LPG cases

Cases, Complaints, Enquiries - Industry

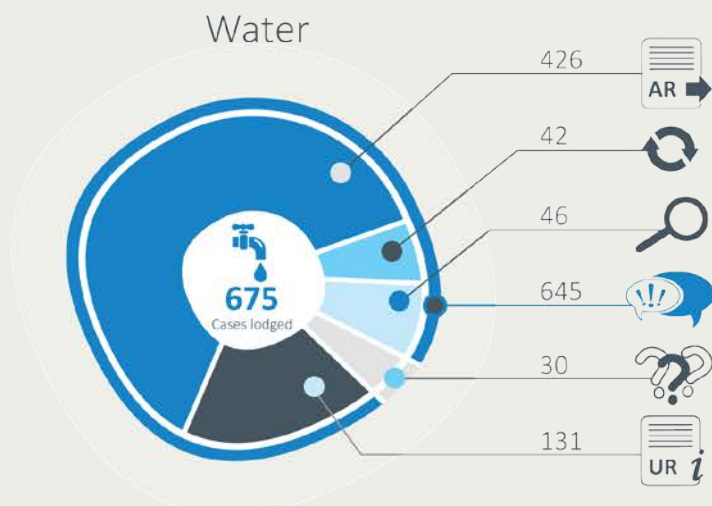
Electricity

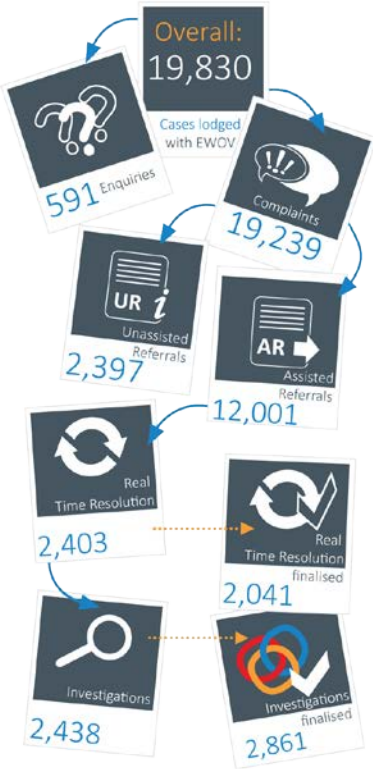


Gas



Water





Complaints



Enquiries



Unassisted Referrals



Assisted Referrals



Real Time Resolution



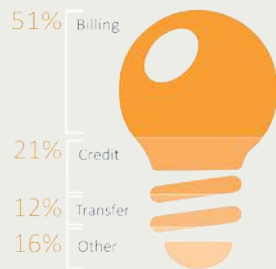
Investigations

Trends

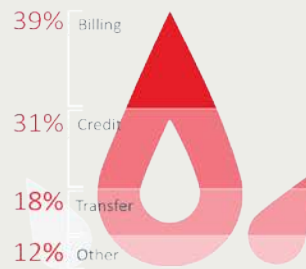
From 1 January 2014 to 31 March 2014

Please refer to company individual line graphs for more details

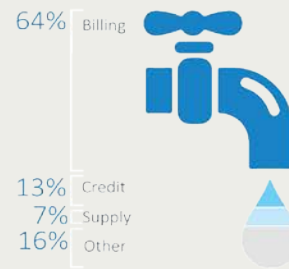
Electricity Overall:



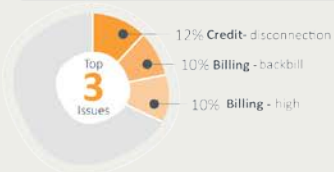
Gas Overall:



Water Overall:



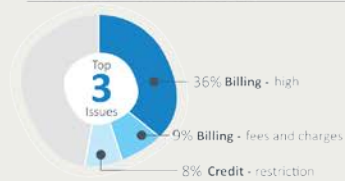
Electricity Retail Sector



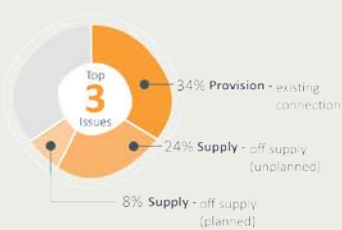
Natural Gas Retail Sector



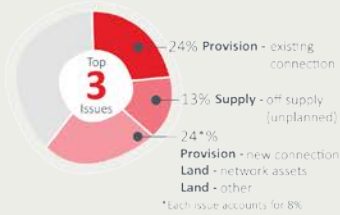
Metropolitan Retail Water Sector



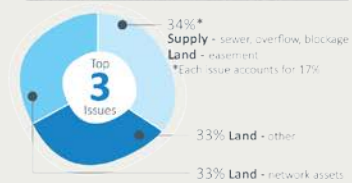
Electricity Distribution Sector



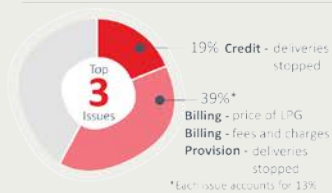
Natural Gas Distribution Sector



Metropolitan Wholesale Water Sector



LPG (Liquefied Petroleum GAS) Retail Sector



Regional Urban Water Sector



Rural Water Sector



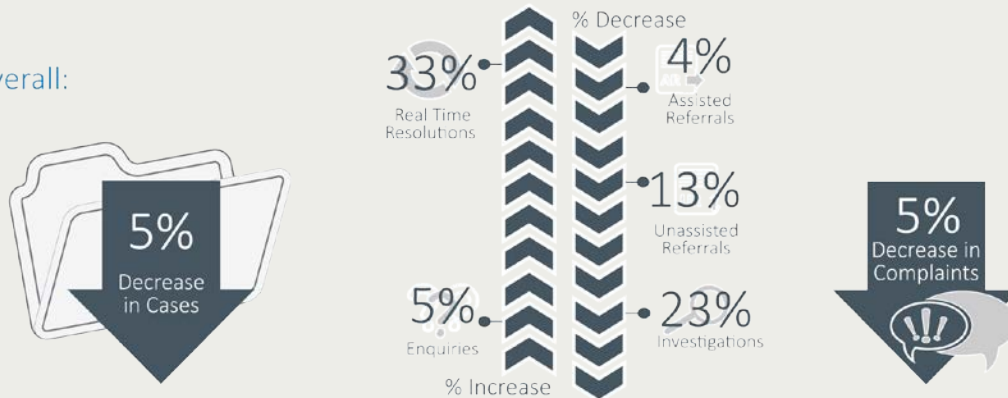
Rural Urban Water Sector



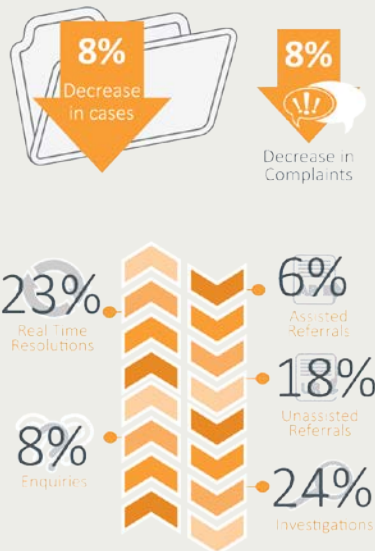
Case Trends

1 January to 31 March 2014 quarter compared with 1 January to 31 March 2013 quarter

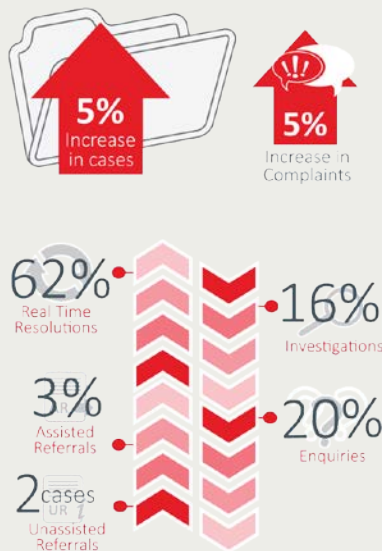
Overall:



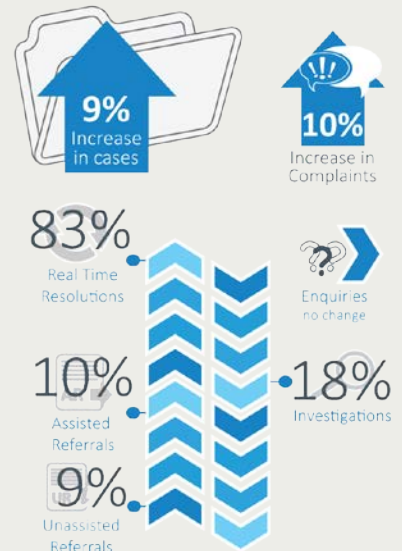
Electricity Overall:



Gas Overall:



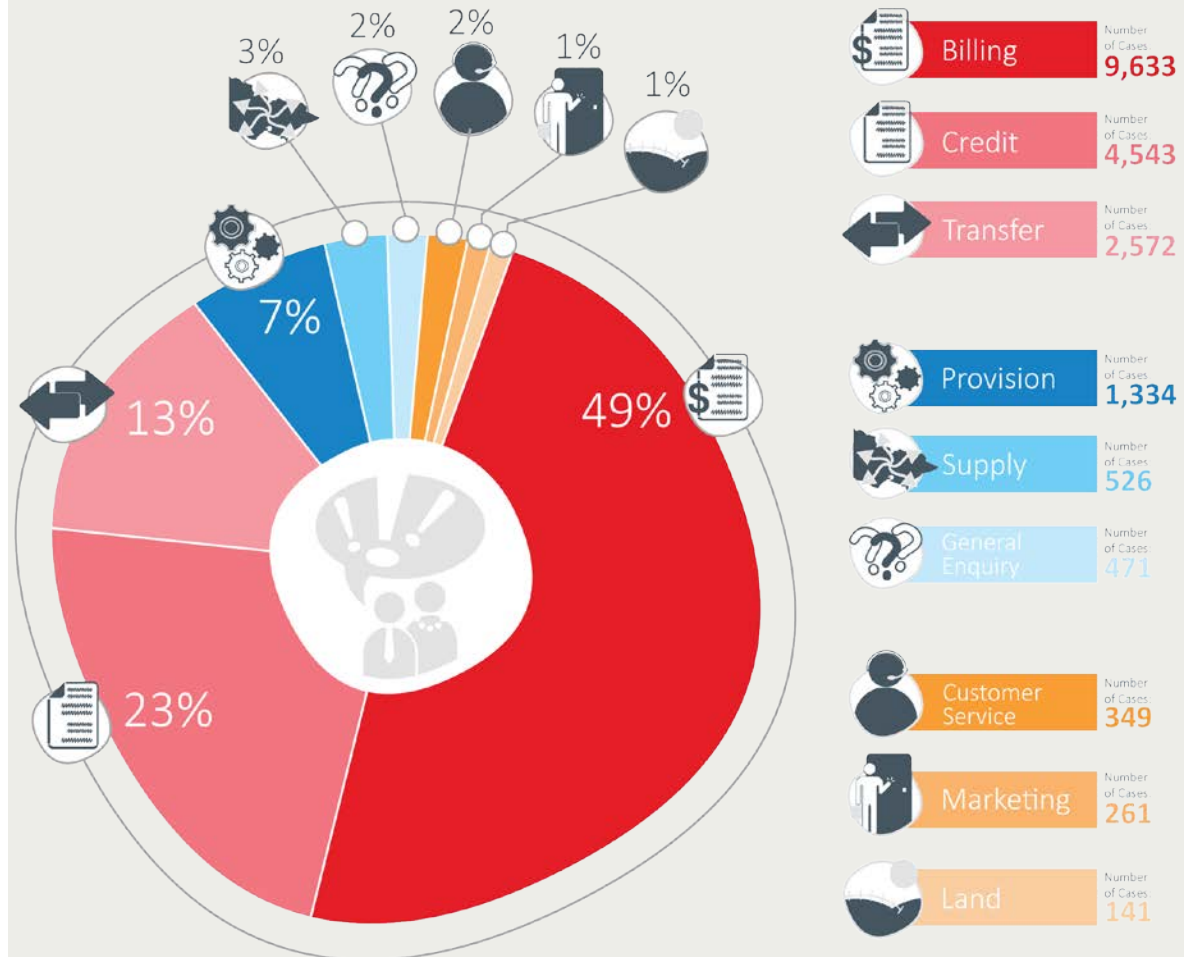
Water Overall:



Most Common Issues

The Issues Customers Complained About Across Electricity, Gas and Water

Most Common Issues (overall) from 1 January 2014 to 31 March 2014



Click on the following links for more detail on the most common issues

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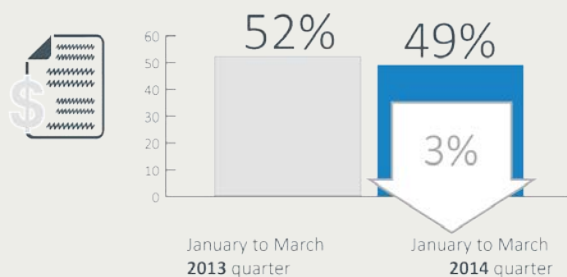


Billing

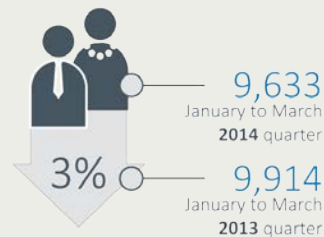
[49% Billing](#)

In the January to March 2014 quarter, 9,633 customers raised billing as their main issue, down 3% from 9,914 customers in the January to March 2013 quarter, and down 15% from 11,345 in the October to December 2013 quarter.

Percentage of Billing Cases

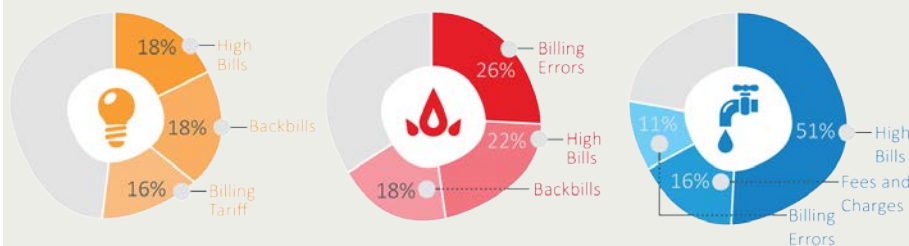


Number of customers whose main issue was Billing



Most Common Billing Issues- By Industry

Of the 9,633 customers, 7,372 were electricity customers, 1,794 gas customers, 429 water customers and 38 dual fuel customers.



Case Study

Customer disputes large electricity and gas backbill

The customer contacted EWOV in January 2014, unable to resolve her concerns about collection action for energy arrears of \$3,893.20 going back to September 2012. She said she hadn't been notified of any billing delay, and believed the billing should have been based on her bill smoothing plan of \$300 a month. She was seeking to have the arrears reduced to \$2,000. Responding to an Assisted Referral by EWOV, the retailer advised that the backbill was limited to nine months and had already been reduced by \$3,069.14. It acknowledged that it hadn't notified the customer of a price increase in January 2013, so it applied a further credit of \$341.05 to account for this. It also offered a customer service payment of \$150 and a 12-month payment plan for the backbill. It advised that the customer's regular monthly payment of \$300 was not enough to cover her ongoing usage and would need to be increased.

When the customer remained dissatisfied with the energy retailer's response, the complaint was escalated to EWOV's Real Time Resolution team. We obtained information from the retailer about the customer's payment history and how the backbill was calculated. We analysed the account history to ascertain whether all payments made by the customer had been listed against the disputed debt and that clause 6.2 of the Energy Retail Code (covering undercharging and backbilling) had been correctly applied. We investigated whether the retailer had appropriately reviewed the customer's monthly payments, as required under clause 5.3 (d) of the Energy Retail Code.

We found the retailer had issued a correct backbill, but hadn't reviewed the customer's bill-smoothing payment plan, thus contributing to the arrears. In light of this, the retailer offered a further discount of \$418.45, bringing the customer's account balance down to \$4,000 (this total included her latest electricity and gas bills for usage up to January 2014). The retailer also offered to discuss the customer's regular payment plan with her, after the resolution, to prevent future arrears accumulating. We explained to the customer her responsibility for paying backbills issued correctly, and how reducing the bill to \$2,000, as she was seeking, wouldn't be in line with this obligation. The customer agreed to pay the reduced balance of \$4,000 on a 12-month payment plan. 2013/78044

We found the retailer had issued a correct backbill, but hadn't reviewed the customer's bill-smoothing payment plan.

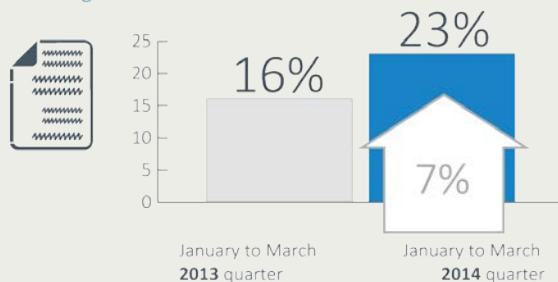


Credit

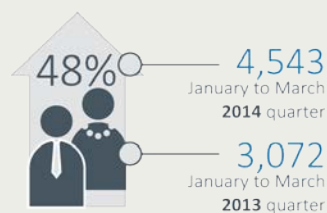
23% Credit

In the January to March 2014 quarter, 4,543 customers raised credit as their main issue, up 48% from 3,072 customers in the January to March 2013 quarter, but down 4% from 4,709 customers in the October to December 2013 quarter.

Percentage of Credit cases

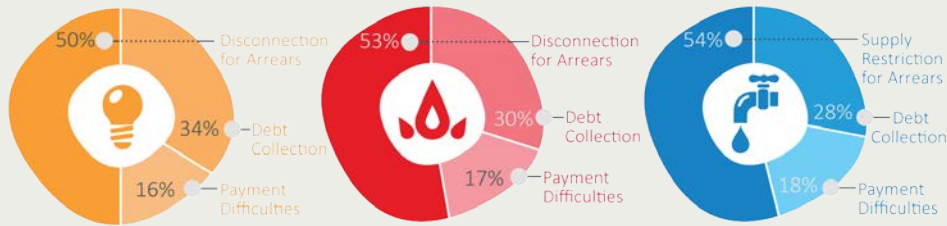


Number of customers whose main issue was Credit



Most Common Credit Issues- By Industry

Of the 4,543 customers, 3,021 were electricity customers, 1,422 gas customers, 90 water customers and 10 dual fuel customers.



'Actual' Disconnection/Restriction

The ['Issues](#)

[Watch](#)' section in this issue of Res Online looks at the issue of debt collection action, including some recent case studies.

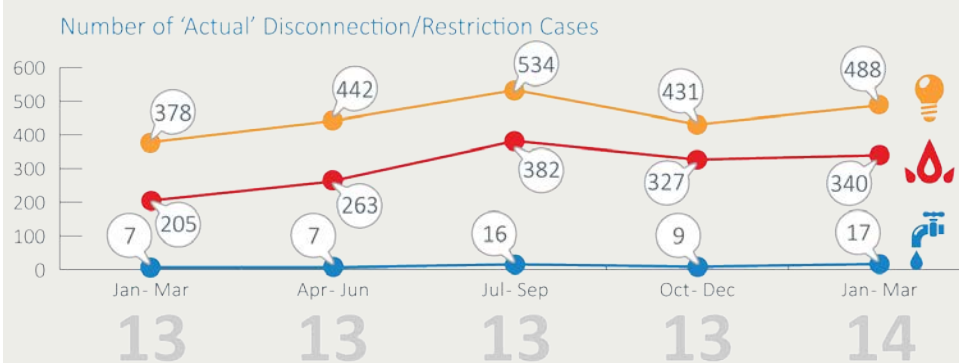
A closer look at billing-related energy disconnection and water restriction cases

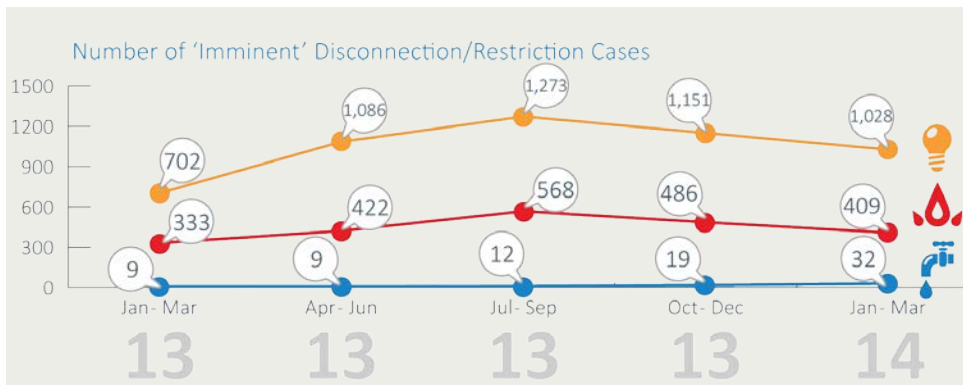
Our assessments for electricity and gas Wrongful Disconnection Payments (WDPs) have shown that some retailers appear to have sought payment of either the full arrears, or more than half of the arrears, before they would reconnect the customer's supply. This could account for the increase in cases about 'actual' disconnection of electricity and gas.

Electricity: EWOV received 488 cases about 'actual' electricity disconnection in the January to March 2014 quarter—up 29% from 378 in the January to March 2013 quarter. We received a further 1,028 cases about 'imminent' electricity disconnection—up 46% from 702 in the January to March 2013 quarter.

Gas: We received 340 cases about 'actual' gas disconnection in the January to March 2014 quarter—up 66% from 205 in the January to March 2013 quarter. We received a further 409 cases about 'imminent' gas disconnection—up 23% from 333 in the January to March 2013 quarter.

Water: Water restriction cases remained very low, but showed increases. We received 17 cases about 'actual' water restriction in the January to March 2014 quarter—up from 7 in the January to March 2013 quarter. We also received 32 cases about 'imminent' water restriction—up from 9 in the January to March 2013 quarter.





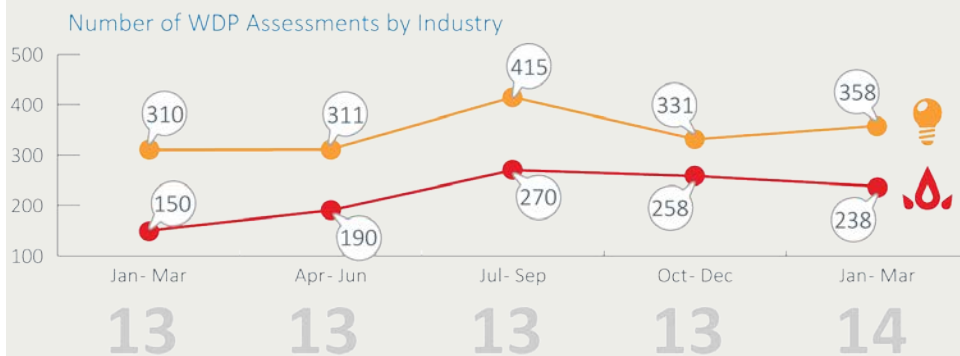
Trends in Wrongful Disconnection Payment (WDP) investigations

In the January to March 2014 quarter, we opened 596 stand-alone WDP investigations—358 in electricity and 238 in gas. This was 30% more than the 460 WDP investigations we opened in the January to March 2013 quarter (electricity up 15% from 310 and gas up 59% from 150).

We finalised 866 WDP assessments. Some of the payments related to supply disconnections dating back almost a year. Of the assessments finalised:

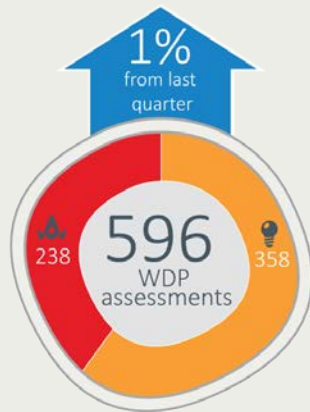
- 29% related to affordability issues—for example, the retailer not offering the required two payment plans prior to disconnection, not advising of the availability of a financial counsellor or not providing advice about energy efficiency, concessions or the Utility Relief Grant Scheme.
- 24% related to non-compliant notices—for example, the required timeframes not being adhered to or the required notices not being issued.

Of the 706 WDP assessments where WDP was found payable, or paid with no admission of breach, 74% of the payments made were under \$1,000 and 26% were over \$1,000, with the largest voluntary payment being \$26,019.62.

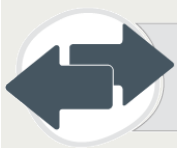
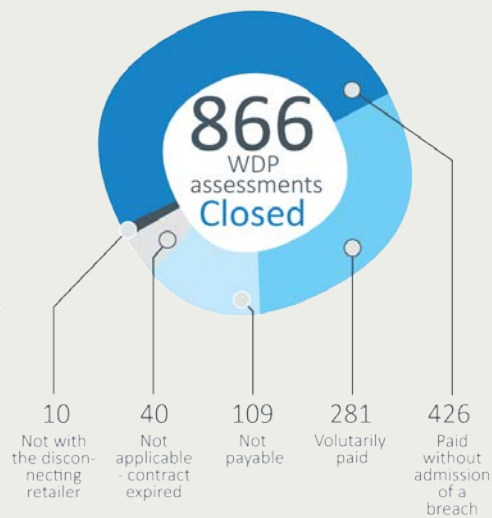


We finalised
866 WDP
assessments.

Number of WDPs Assessments



Number of WDPs Paid

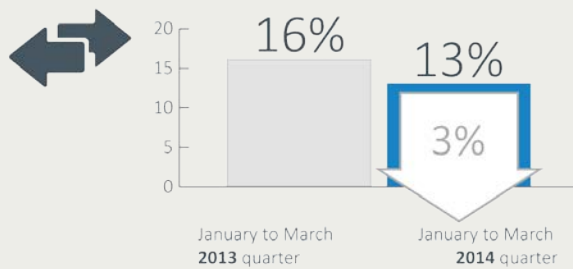


Transfer

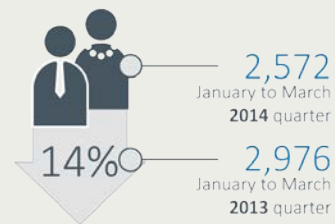
13% Transfer

In the January to March 2014 quarter, 2,572 customers raised transfer (switching from one electricity or gas retailer to another) as their main issue of complaint—down 14% from 2,976 January to March 2013 quarter and down 18% from 3,146 customers in the October to December 2013 quarter.

Percentage of Transfer Cases

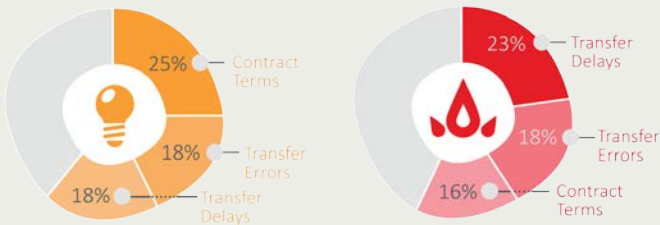


Number of customers whose main issue was Transfer



Most Common Transfer Issues- By Industry

Of the 2,572 customers, 1,725 were electricity customers, 840 gas customers and 7 dual fuel customers.



Case Study

Customer offered a cheaper rate - but the retailer advised the tariff quoted did not include GST

The customer said he was offered a cheaper rate than what was charged by his new energy retailer. After agreeing to a new contract over the phone in March 2013, via a price comparator company, he received a letter four months later advising that his usage was being reviewed and as a result his bills would be reissued. After reading the letter, he was concerned that the tariffs that were to be charged were not what had been promised over the phone in December 2012. He contacted his retailer in December 2013, and was advised it would provide a response within six weeks. However, no response was received and the customer contacted EWOV.

EWOV raised an Assisted Referral and the retailer advised the customer that he agreed to a rate of 37 cents per kilowatt hour (kWh) peak usage and 20 cents per kWh off-peak usage. The retailer provided the customer with a portion of the voice-recording, during which he had agreed to the rates. The customer was dissatisfied that it did not include the full recording, believing he was misled about the rates in the initial conversation. The customer was adamant that he was quoted 24 cents per kWh peak usage, and 12 cents per kWh off-peak. He wanted the deal to be honoured or for the retailer to allow him to transfer to another retailer, along with a reduction of \$400 from his account balance. He recontacted EWOV for further assistance, and the complaint was escalated to the Real Time Resolution (RTR) Team.

EWOV reviewed the retailer's voice recording of the contract he agreed to. This recording included a pre-recorded message, which confirmed that a price comparator company, acting on

behalf of the retailer had excluded GST from the rates. In response, the retailer offered the customer a \$100.00 credit for the inconvenience caused, and advised that he could transfer to an alternative retailer without penalty. EWOV also reviewed the billing of the customer's account to ensure that he had received all credits, including pay on time discounts (totally \$204.00), and had the correct outstanding balance (\$588.08). While the customer was dissatisfied that the retailer would not honor the lower rates, he accepted its offer of \$100 credit and agreed to pay the remaining balance of \$588.08. He advised that he would then transfer to his preferred retailer. 2014/7856



Case Study

25% discount offer persuaded the customer not to switch—but the offer couldn't be delivered

The customer agreed to switch retailer. However, during the cooling-off period, her current retailer offered her a 25% discount not to switch. On the basis of this 25% discount offer, she cancelled the transfer. Having retained her as a customer, the retailer later advised that the 25% discount had been offered incorrectly. The complaint was initially raised as an Assisted Referral, but didn't resolve because the customer was dissatisfied with the information/offer made. When the customer recontacted EWOV, the matter was resolved via the Real Time Resolution process. The customer maintained her right to the promised discount, but said her retailer told her the discount was attached to a different tariff rate from the one she was on. As compensation, it offered her a movie ticket and \$100. As part of our investigation of the customer's complaint, we reviewed the retailer's contact notes to clarify the contract offered to the customer. We found the records unclear on the specific contract terms. The retailer confirmed to us that it couldn't offer the 25% discount, but in recognition of any incorrect information provided to the customer, it would waive her bill of \$279.83. It advised that no termination fee would be charged if she still wished to switch to the other retailer. 2014/10694



**2,572 customers
raised transfer...
as their main
issue... down
14%.**



Issues Watch: Debt Collection



Issues watch 1: Debt collection

What's the issue EWOV is watching?

More customers have been raising debt collection as their main issue of complaint.

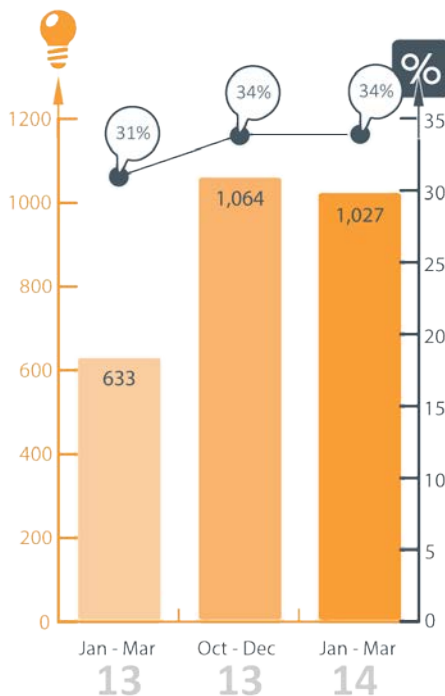
From January to March 2014, 1,481 electricity, gas and water customers complained to EWOV about debt collection, 1% less than in the October to December 2013 quarter, and 68% more than in the January to March 2013 quarter.

Comparing cases for the January to March 2014 quarter with those for the January to March 2013 quarter, the increases were most evident among energy customers:

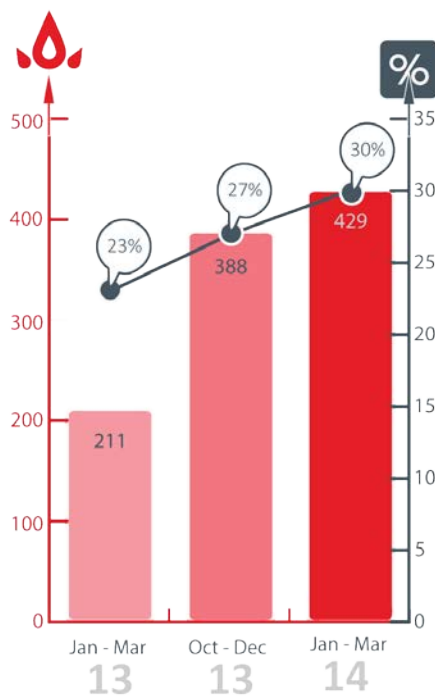
- As a proportion of all electricity credit issues, debt collection was up from 31% to 34%.
- As a proportion of all gas credit issues, debt collection was up from 23% to 30%.
- 62% more electricity customers raised debt collection as their main issue (up from 633 customers to 1,027 customers).
- 103% more gas customers raised debt collection as their main issue (up from 211 customers to 429 customers).

Key  Debt collection as the main issue raised by customers  Debt collection as a proportion of all credit cases

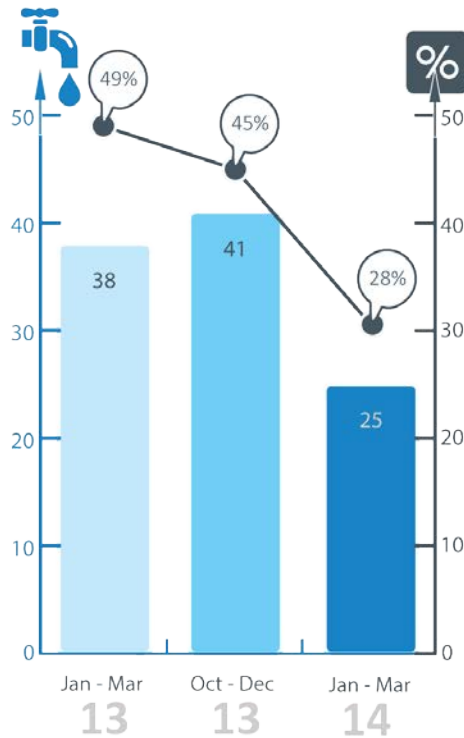
Electricity



Gas



Water

**What have customers been complaining about?**

- Low arrears (under \$100) referred for debt collection.
- Debt collection action for previous properties and/or old debts—some debts collected in 2013 and 2014 went back to 2010.
- Debt collection action after final bills were issued to the wrong address (or supply address) when updated details had been provided to the retailer.
- Debt collection action without any prior notification.
- Debt collection action following delayed billing, backbilling, high bills, billing errors, multiple bills and/or confusing billing.
- Debt collection action after misleading marketing (promises to them of cheaper rates/lower bills) resulted in higher than expected bills, which in turn led to unpaid arrears.
- Debt collection action after their account was switched to another retailer without their consent, or their cooling-off rights weren't actioned.
- Debt collection action after they indicated they were experiencing payment difficulties, but weren't offered/provided payment plans in line with their capacity to pay.
- Debt collection action after they switched retailer, on the understanding that their payment plan would continue, but it didn't.

What would help reduce complaints to EWOV?

- When arrangements for final bills are being made:
-
- energy retailers need to request confirmation of the customer's forwarding address, and

- customers need to ensure that a correct forwarding address for them is recorded by the energy or water company.
- Given many customers complained that debt collection action followed delayed bills, a backbill, a high bill or incorrect billing, retailers need to ensure that accounts are correctly reviewed prior to debt collection action being taken.
- Retailers should consider the costs associated with sending small debts for collection activity and be aware that, under the Credit Reporting Provisions of the Privacy Act, which came into effect on 12 March 2014 (Part 3A, Section 6Q [page 52]), a debt of less than \$150 should not be default-listed and debts that are default-listed must be older than 60 days: <http://www.comlaw.gov.au/Details/C2014C00076>.
- Energy retailers should focus on early resolution of complaints—preferably when the customer first makes direct contact and, failing that, when the customer is first referred by EWOV. Although the majority of debt collection cases in the January to March 2014 quarter were able to be resolved at Assisted Referral (85%) and at Real Time Resolution (87%), some complaints went through both stages unresolved, necessitating an EWOV investigation.



Case Study

Debt collection action after backbilling that wasn't in accordance with the Energy Retail Code

The customer was subject to debt collection action for gas arrears of \$489.76, possibly dating back a year or two. She thought it related to a backbill issued in October 2013. She said her attempts to get clarification from her gas retailer resulted in conflicting information and the retailer hadn't been able to provide an invoice with a full breakdown. She said she wasn't living at the address in question between March 2012 and January 2013.

When an Assisted Referral and Real Time Resolution didn't resolve the complaint, an Investigation was opened. We requested and reviewed an account reconciliation and copies of bills issued to the customer. During our investigation, the retailer acknowledged that the backbilling wasn't in accordance with the undercharging provisions in clause 6.2 of the Energy Retail Code. It apologised to the customer, ceased the debt collection activity and confirmed that the customer's credit rating wouldn't be affected. It applied a credit to the customer's account leaving it with a nil balance. 2013/60930



Case Study

Customer claimed his debts had been paid

The customer contacted EWOV complaining about a default-listing for electricity arrears of \$900. He said he'd sold his property in 2009, believing his electricity bill had been paid. He also said he'd provided a forwarding address. Then, in January 2014, he discovered he'd been default-listed. He said he contacted the retailer concerned, but was told the debt had been handled correctly and he would have to pay it.

Contacted by EWOV, the retailer maintained that it had complied with all relevant debt collection regulations and guidelines and the credit default had been placed correctly. It said the debt was sold to a mercantile agent after several unsuccessful attempts to recover the arrears from the customer. It provided examples of its endeavours to have the arrears paid, consistent with its regulatory obligations—multiple reminder and disconnection warning notices between 2006 and 2008, a registered letter in 2008 to set up a payment plan agreed by the customer and a warning notice of pending referral of the debt for collection in October 2009.

We couldn't find evidence that the customer had attempted to contact the retailer with a forwarding address for any final billing. We noted several instances of broken payment

arrangements during the time the customer was with the retailer. It was evident that the payments he'd been making weren't covering his electricity consumption at the property. As a result, debt built up and there were extended periods where the account balance wasn't cleared. The retailer had notified the customer about his arrears on several occasions and had offered hardship assistance.

The outcome of the complaint was that the retailer was able to demonstrate that it had complied with all of its debt recovery obligations. As a result, the customer was advised to contact the collection agency to pay the debt, so the default listing could be updated to 'paid'. 2014/7036

He said he'd sold his property in 2009, believing his electricity bill had been paid.

Energy retailers should focus on early resolution of complaints—preferably when the customer first makes direct contact.

The backbilling wasn't in accordance with the undercharging provisions in clause 6.2 of the Energy Retail Code.

Unplanned Electricity Outages



Issues watch 2: Unplanned electricity outages

What's the issue EWOV is watching?

Over the past year, there's been a noticeable increase in EWOV cases about unplanned interruptions to supply. While a small number of these cases have been about interruption to gas or water supply, most of them have been about unplanned electricity outages.

In the January to March 2014 quarter we received 270 cases about unplanned electricity outages, up 49% from 181 cases in the January to March 2013 quarter.

In around half of these cases, the customer's main issue was damage and/or loss. Other common issues were outage frequency, inconvenience and duration.

What have customers been complaining about?

- Little or no information about (or accuracy around) the timeframes for restoration of their supply, which in turn affected their capacity to mitigate losses (e.g. whether or not to hire a generator).
- Confusion around whether the customer should be contacting their electricity distributor or retailer about outage issues.
- Rejection of customer claims for compensation (e.g. for damaged appliances; the cost of engaging an electrician; spoiled food).
- What they considered to be an unreasonable level of proof to substantiate their claim/s.
- Difficulty getting their electricity distributor to assess the outage for a guaranteed service level (GSL) payment, in light of the number of outages they'd experienced.

What would help reduce complaints to EWOV?

- Electricity distributors should be providing their customers with clear information about the claims process, restoration timeframes and customer responsibilities. Business customers should be made aware of their particular responsibilities to take steps to minimise the risk of loss or damage to their equipment and property.
- Electricity distributors need to communicate effectively with affected customers at the time of an outage, to ensure customers are better informed about the claims process—some customers who contacted EWOV were under the impression that all they had to do was complete the claim form.
- Electricity distributors should focus on early resolution—preferably when the customer first makes direct contact and, failing that, when the customer is first referred by EWOV. Although the majority of unplanned outage cases in the January to March 2014 quarter were able to be resolved at Assisted Referral (78%) and at Real Time Resolution (91%), some complaints went through both stages unresolved, necessitating an EWOV investigation.



Case Study

Customer experienced multiple unplanned outages and sought assessment for Guaranteed Service Level Payment

The customer contacted EWOV dissatisfied that his property had experienced frequent electricity outages during 2013. When he had contacted his distributor about the outages, it had difficulty locating his property in the system. He was advised that the distributor was building new infrastructure to eliminate the issue, but that this change would take two years to implement.

He contacted EWOV on 4 March 2014 dissatisfied with the customer service received and an Assisted Referral was raised. The distributor contacted the customer in response, and advised him that he was likely to receive a Guaranteed Service Level (GSL) payment because of the outages, but did not provide any further details about this. Dissatisfied that he was not provided this detail, he recontacted EWOV and the complaint was escalated to the Real Time Resolution (RTR) Team.

Under the Electricity Distribution Code, distributors have an obligation to provide customers with service level guarantees, and must make payment to customers if these guaranteed service levels are not met. For example, if a customer experiences a certain number of outages in a calendar year they may be entitled to this service reliability payment. If a customer qualifies for a GSL, payment is made automatically - customers are not required to apply for it. It must be paid 'as soon as practicable' and is usually credited on the first bill of a new calendar year.

Initially, the distributor advised EWOV's RTR Team that it could not confirm whether a GSL would be applicable for the customer. EWOV sought clarification about whether the GSL assessment for the 2013 calendar year had been completed. The distributor confirmed that this would occur in March 2014, and the GSL payment would apply to the customer's bill in April 2014. As a result, the distributor confirmed that over the course of 2013 the customer's electricity supply was interrupted a total of 26 hours over 19 events. The distributor apologised for the inconvenience caused and offered a payment of \$150 to be sent to the customer by cheque, by

20 May 2014.

EWOV reviewed the Electricity Distribution Code (clause 6.3) which confirmed that a customer is entitled to a GSL of \$100 if they experience more than 20 hours of unplanned sustained interruptions per year, and that this payment increases to \$150 if the interruptions total more than 30 hours.

The payment of \$150 was more than required under the Electricity Distribution Code. The customer was satisfied with the information provided about his GSL entitlement and the complaint was closed. 2014/11729



Case Study

Delays in addressing supply reliability issues

The customer complained about electricity outages on successive days in January 2014. She also said that since 2010 her property had experienced seven major outages for up to six hours at a time. She said the local electricity distributor pinpointed the cause as the age of its equipment and had replaced a transformer. She said the distributor attributed the inconsistency of supply and unplanned outages to excessive demand on its network during severe weather conditions. It said an upgrade of the affected transformer was pending, but a timeframe couldn't be provided. The customer said the distributor had indicated that her property wasn't considered a priority, as several other customers within the distribution network had been affected at a greater frequency. It asked her to follow the compensation claim process for voltage variation, if she was seeking compensation for loss of food or damage to her property or appliances.

The customer eventually contacted EWOV, dissatisfied with the distributor's advice that the transformer wouldn't be replaced for approximately 12 months. During discussions about the customer's complaint, the electricity distributor agreed to transfer her property to another transformer some four blocks away in the short-term. It undertook to upgrade the affected sub-station in its upcoming maintenance schedule. It apologised to her, offered a \$100 customer service payment to recognise the inconvenience caused and gave her a completion date for the works. 2014/3338



Supply outages - a snapshot of applicable laws and the regulatory framework

[Electricity Distribution Code](#)

- Obligations relating to quality of supply (cl 4)
-
- Requirement to supply within ranges.
- Requirement to control over voltage.
- Obligations relating to reliability of supply (cl 5)
-
- Requirement to use best endeavours to meet targets required by price determination and otherwise meet reasonable customer expectations of reliability of supply (cl 5.2).
- Guaranteed Service Levels (GSLs) (cl 6) – minimum required; distributors can pay more.
- Ability to apply for exemptions (cl 6.3.5).

[Voltage Variation Compensation Guideline No. 11](#)

- Under the set threshold, where the customer has provided required substantiation, the distributor is required to pay.
- Over the set threshold, the distributor can review, but the claim being over the threshold doesn't mean the distributor is automatically without liability.

[Electricity Safety Act \(s98\)](#)

- An electricity distributor must design, construct, operate, maintain and decommission its supply network to minimise as far as practicable.
- - Hazards and risks to the safety of any person arising from the supply network.
 - Hazards and risks of damage to property arising from the supply network.

[Australian Consumer Law \(ACL\)](#)

The Australian Consumer Law (ACL) is set out in Schedule 2 of the Competition and Consumer Act 2010, which is the new name of the Trade Practices Act 1974 (TPA).

- Consumer guarantees and warranties (to compare to old TPA clauses).
- Applies to gas and electricity as it is EWOV's understanding that these 'goods' have not been excluded by the regulation.
- Implied warranties and strict liability for these—goods need to be of acceptable quality and fit for purpose—it's possible that the cause of the surge and resulting outage is immaterial to the question of liability.

Common Law/Claim via the courts

Potential for customers to make a claim under principles of negligence or breach of contract.

Consideration by the court of:

- Whether damage has actually occurred.
- The link between any damage caused and the person/entity defending the case (the distributor).
- Whether it would have been reasonably foreseeable to the defendant that damage may occur.
- Whether supply has been consistent with terms and conditions of customer's contract (e.g. within the ranges allowed under the Electricity Distribution Code).



Customer engagement programs

As part of its Better Regulation Reform program, the Australian Energy Regulator (AER) now requires all electricity and gas distributors to have a customer engagement program. There's more information on the aims of programs of this type on the [AER website](#).

As part of their response to the AER's Guideline, Victoria's electricity distributors have now set up a range of web pages seeking customer input:

- [CitiPower/Powercor](#)


- [United Energy](#)

- [Jemena](#)



SP AusNet advises that, later in 2014, it will launch a website to inform consumers/stakeholders of its price reset approach and engagement activities and outcomes.




Since 2010 her property had experienced seven major outages.



Under the Electricity Distribution Code, distributors have an obligation to provide customers with service level guarantees.



In around half of these cases, the customer's main issue was damage and/or loss.



EWOV Public Submissions

Public Policy Submissions Made by EWOV from 1 January 2014 to 31 March 2014

We provided input to five public consultations by regulators, government and an industry association.

Office of Living Victoria, Department of Sustainability and Environment

Water Bill Exposure Draft (Draft Bill) - February 2014

In responding to the Draft Bill, EWOV welcomed the improvements and streamlining of Victoria's water law and took the opportunity to make comment on the following areas where we believe there are further opportunities for improvement. Where relevant, we included case studies to illustrate our suggestions:

- Owners' and tenants' liability for fees and charges—greater clarity around the liability of property owners, as absentee landlords, to pay certain charges imposed on tenanted properties.
- Third parties receiving bills—where bills are sent to a third party, the account holder should also receive copies.
- Service to Property and Service Availability Charges—removal of the ability of water corporations to determine, on a case-by-case basis, the way in which properties and land are rated as separate occupancies.
- Owners' Corporation Lot Liability—specification that billing be based on check meters unless they aren't installed at the property; and that the relevant wording about check meters in the Guideline be inserted into the Draft Bill.
- Publication of fees and charges—that all water corporations be required to have their tariffs, fees and charges publically available via the Victoria Government Gazette.

[Full submission](#) on the EWOV website

Office of Living Victoria, Department of Sustainability and Environment

Water (Estimation, Supply and Sewerage) Regulations 2014 Exposure Draft (Draft Regulations) - March 2014

In responding to the Draft Regulations, EWOV welcomed the improvements and streamlining of Victoria's water regulations and made some comments for further improvement and clarification:

- Meter Tests—amendment of the Draft Regulations to ensure customers can request a meter test either verbally or in writing; specification that customers pay for meter tests only where the meter is not found to be faulty; consideration be given to whether a new meter is installed on the owner's or occupier's land; explanation of how the correction factor is to be calculated when the meter test confirms the meter is faulty.
- Sanitary Drains—clear outlining of the provisions which apply to existing and new connections.
- Customer Education Plans—any customer education plan and communications strategy be driven by a plain English approach and take account of the highly diverse customer group.

[Full submission](#) on the EWOV website

Australian Energy Market Commission

Options paper – Review of Electricity Customer Switching - February 2014

EWOV's submission added to our earlier submission, to specifically respond to some of the options presented in the paper:

- Reduction of the maximum prospective timeframe for customer transfer requests from 65 business days to 21 business days—we believe this would be workable in Victoria because most customers have remotely read Smart Meters, with no or negligible special meter read fees.
- Allowing customer transfers on the basis of estimated reads — we remain concerned that, due to the necessary complexity of the process, there may be customer confusion and distributor/retailer costs.
- Increased monitoring and public reporting of statistics on the timing of customer transfers by the AEMC and the Australian Energy Regulator (AER)—we supported this.
- Cleansing of the MSATS data and an industry-agreed standard for addresses in the MSATS database—we supported an audit methodology that balances the costs of doing these things.
- Increased monitoring and public reporting of statistics by the Australian Energy Market Operator and the AER—we supported this as an option to promote transparency, which should also lead to greater data clarity and accuracy.
- Obligation for the National Metering Identifier (NMI) to be displayed on all small customer meters—we supported this as a method to help reduce the chance of mismatch between a customer's address and the NMI number.
- Confirmation and strengthening of retailers' obligations to co-ordinate to resolve erroneous transfers in a timely way—we supported this to help correct transfer errors quickly.
- Improvement of the functioning of the objections framework—we supported a framework review and update for greater efficiency and to help avoid errors.

[Full submission](#) on the EWOV website

Australian Energy Market Commission 2014, Retailer Price Variations in Market Retail Contracts, Consultation Paper - 25 March 2014

Although Victoria is not currently covered by the National Energy Customer Framework (NECF), EWOV made its submission in anticipation of Victoria harmonising its energy laws with the NECF, and noted that:

- Under current Victorian Law, an energy company may change a tariff under a market contract if a customer has explicitly agreed to this, as a term of the contract.
- There has been an increase in EWOV cases about transfer issues, specifically in regards to variation in price/contract terms.
- These cases may have been driven by misleading information, miscommunication or misunderstanding at the time of marketing.
- Generally, customers who raise complaints about energy companies increasing tariffs during contracts are seeking the energy company to either honour the prices quoted at the time of marketing, or waive the termination fee and allow a transfer or retrospective transfer to a different energy company.

[Full submission](#) on the EWOV website

Department of State Development, Business and Innovation

Draft Consultation paper – Reforms to Retail Regulation 2014 and Planned Outages - March 2014

We discussed EWOV's role in receiving complaints about disconnection of energy supply, in particular assessing whether a Wrongful Disconnection Payment (WDP) is applicable.

- On whether the WDP amount should be increased from \$250 a day to \$500 a day, we expressed the view that a focus on improving retailers' disconnection and credit-related processes may be a more effective way of reducing the number of customers being disconnected.

- On backbilling, we expressed the view that any limitation of bills should commence from the date the customer was notified by their energy retailer.
- On energy efficiency audits, we expressed the view that strategies to improve energy efficiency are an integral part of an energy retailer's hardship policy.

[Full submission](#) on the EWOV website

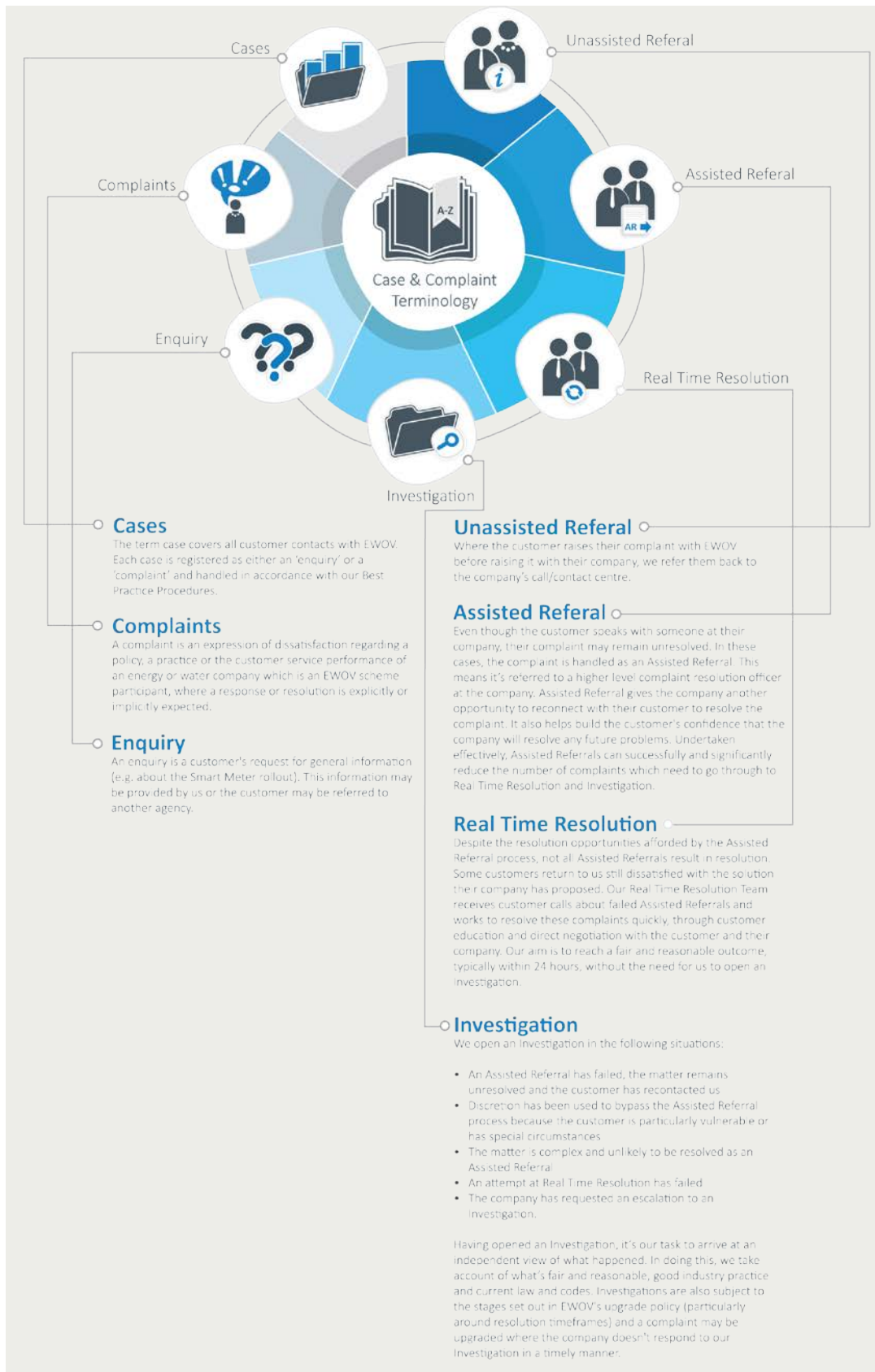
Essential Services Commission

Macquarie Bank Limited Victorian Electricity Retail Licence Application - March 2014

We noted Macquarie Bank's intention not to pursue membership of EWOV due to the size of the customers it intends to contract. It is a condition of all energy and water licences issued in Victoria that the licensee enters into an approved customer dispute resolution scheme. We put forward the view that all Victorian energy customers should have access to a recognised external dispute resolution scheme, and that EWOV currently has a number of scheme participants whose business model focuses solely on large business customers.

[Full submission](#) on the EWOV website

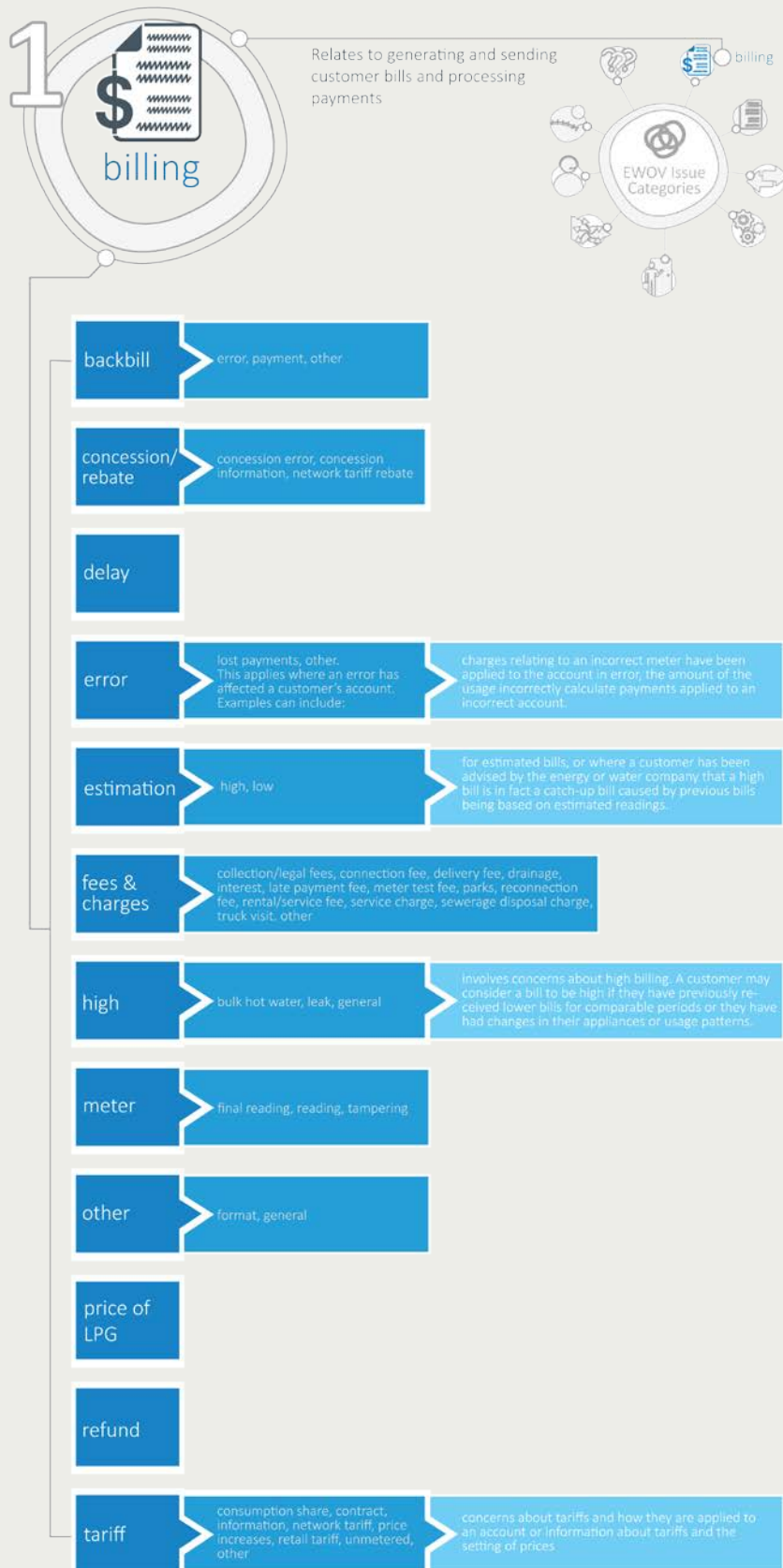
Case & Complaint Terminology



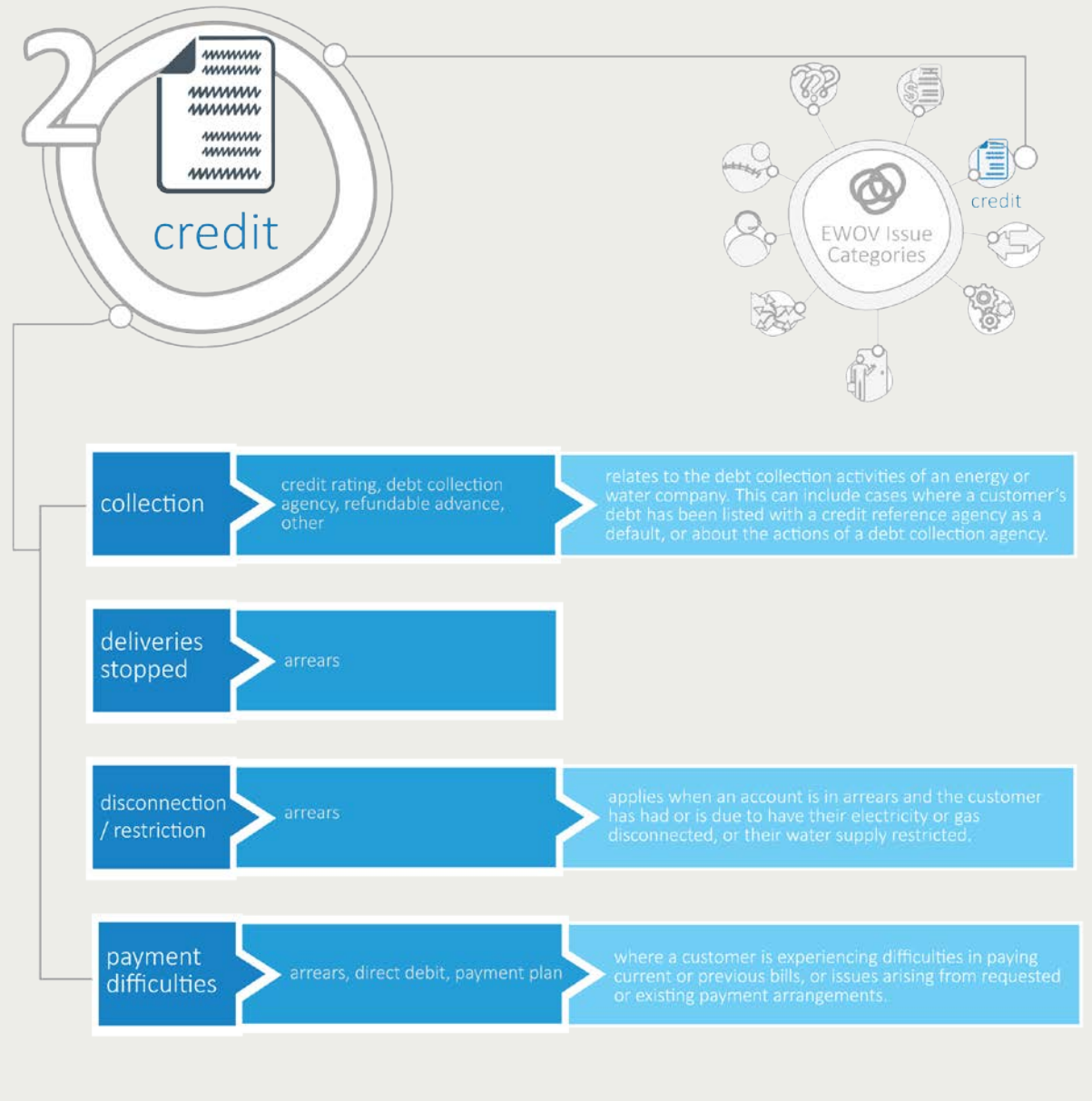
EWOV Issue Categories



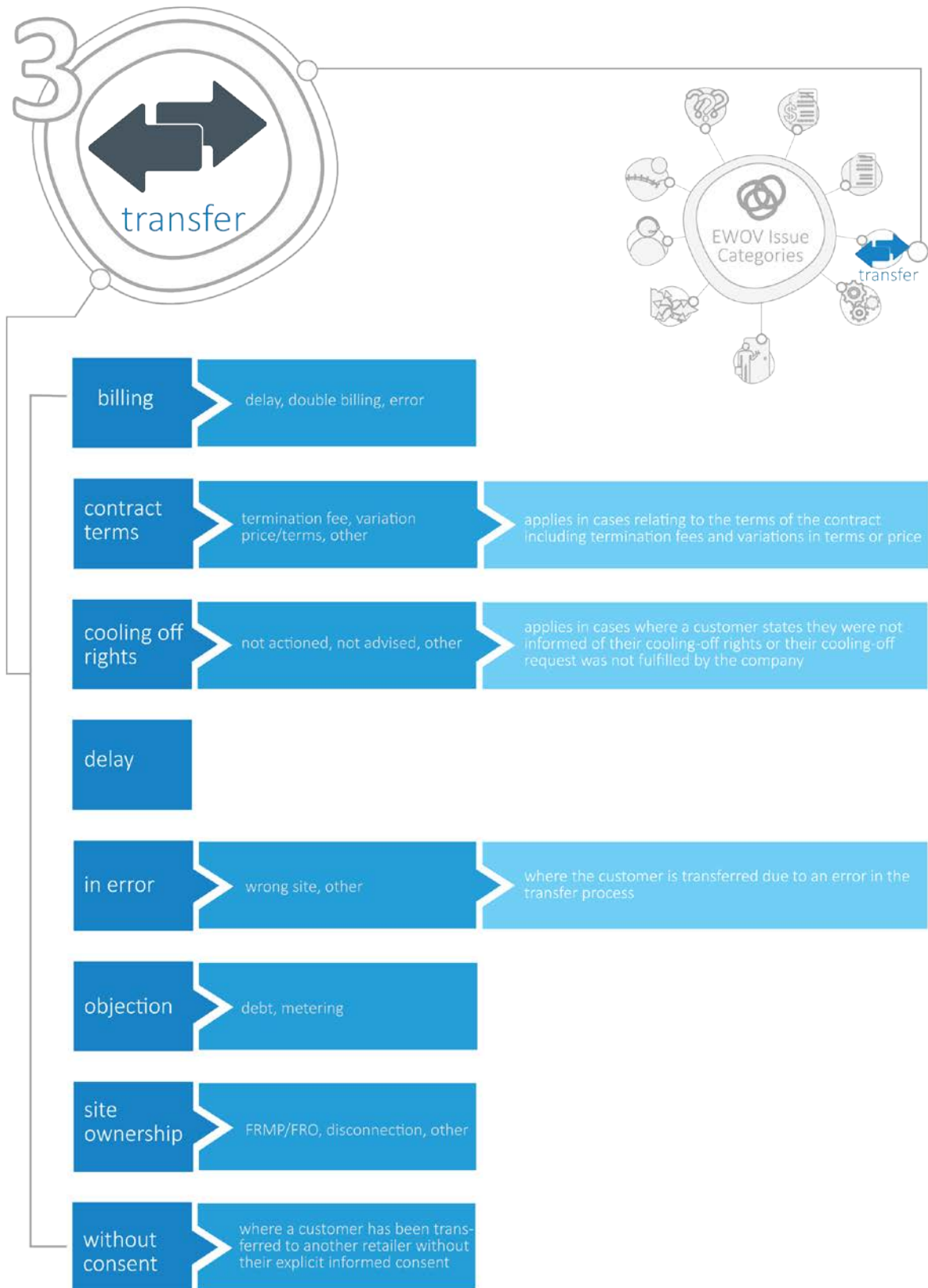
Billing



Credit



Transfer



Provision



deliveries
stopped

safety, site access

disconnection
/ restriction

error, meter access, safety/defect

cases that involve a faulty, defective or dangerous installation. These issues do not have anything to do with the disconnection / restriction of supply due to credit or transfer issues

existing
connection

de-energisation, energisation/
connection, interference, meter
removal, repair, safety, supply up-
grade, other

relates to problems arising from connections that are already in place. For example, cases about altering, up-grading, connecting or disconnecting an existing connection

new
connection

capital contribution, delay,
information, other

issues arising from new connections, such as the costs associated with the connection and the period of time taken to carry out the work

restriction

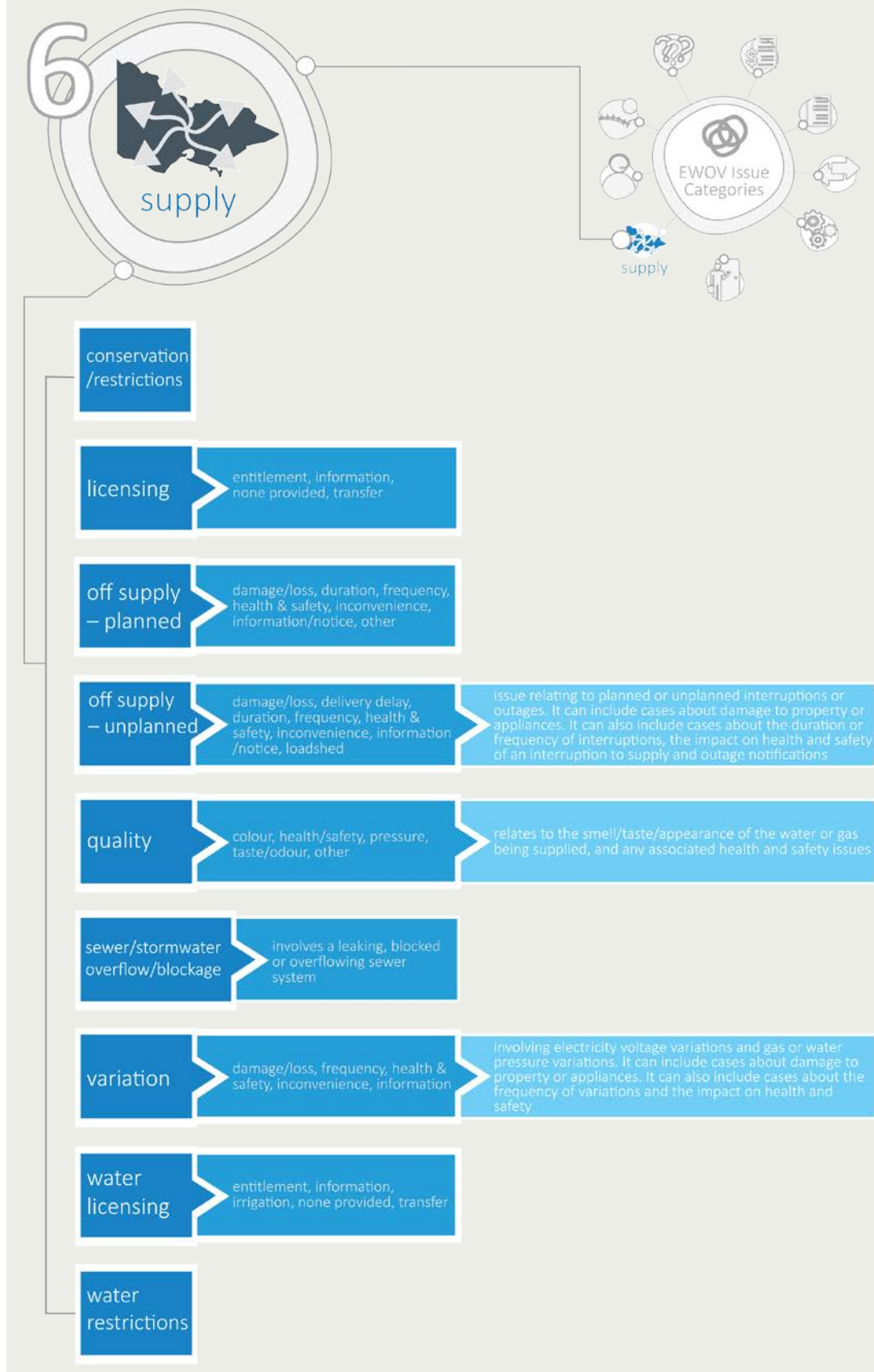
error, meter access, safety/defect

Marketing

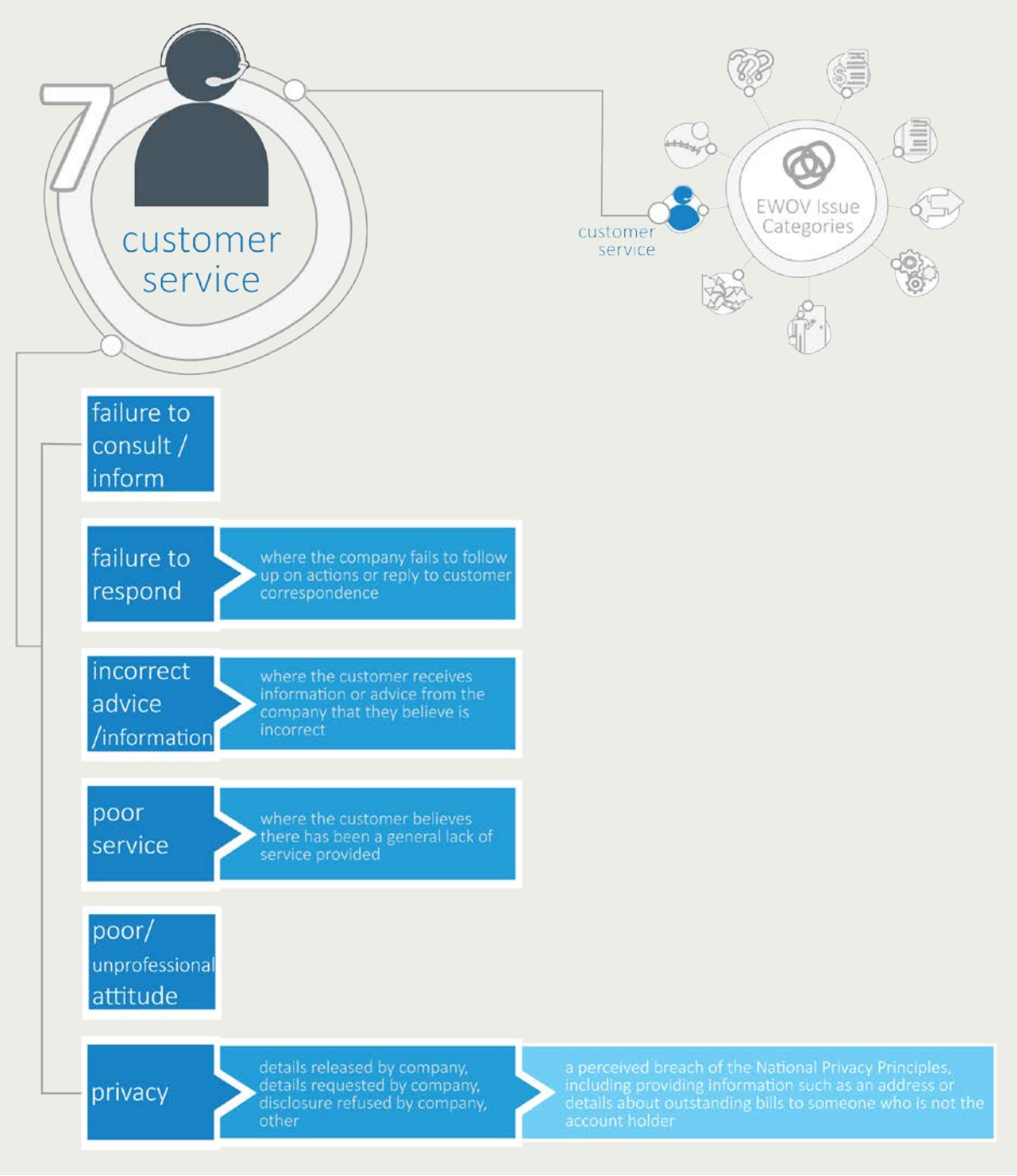


information	door-to-door, other sales channels, phone	when a customer believes they have been provided with incorrect information about a company or is seeking to know if a company is legitimate
misleading	door-to-door, other sales channels, phone	when a customer is dissatisfied about the misleading information of a door-to-door marketer, telemarketer or in the material provided
non account holder	door-to-door, other sales channels, phone	when a non account holder is subject to marketing
other	door-to-door, other sales channels, phone	
pressure sales	door-to-door, other sales channels, phone	a transfer has occurred due to pressure or coercion by a marketer

Supply



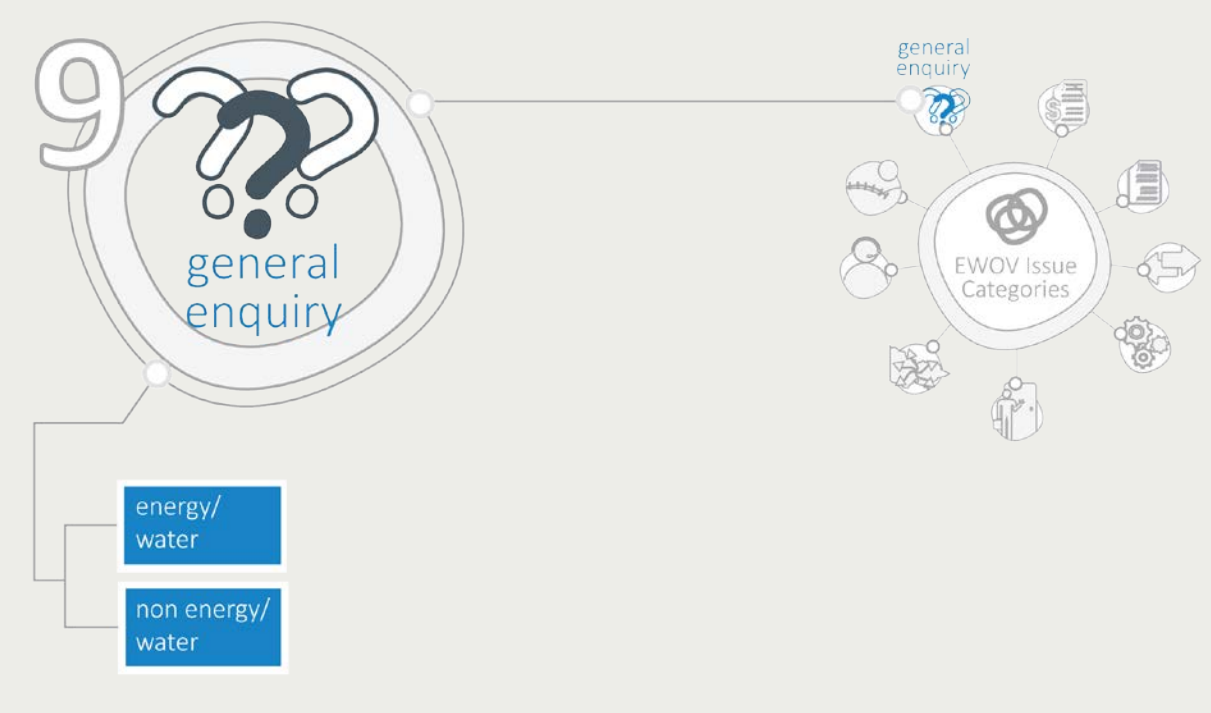
Customer Service



Land



General Enquiry



Systemic Issues Update

Systemic Issues Investigations closed by EWOV from 1 January 2014 to 31 March 2014

Disconnection notices sent to incorrect addresses

Eight complaints to EWOV alerted us that customers of one energy retailer would be eligible for Wrongful Disconnection Payments (WDPs) after the retailer issued disconnection notices to incorrect addresses. It appeared that, in some of these instances, the retailer's billing system was sending the notices to the addresses of other existing customers. The energy retailer advised that the billing problem was due to a number of issues with its billing system, the return to sender process and also the vacant disconnection process. It confirmed that it had implemented system and process changes (including adjusting its disconnection checklist) to ensure that future issues with incorrect addresses were identified and corrected. We consider the energy retailer took appropriate steps to resolve the matter. The regulator, the Essential Services Commission (ESC), was notified. SI/2013/85

Double-billing of energy charges

From two complaints lodged with EWOV, we identified occurrences of double-billing of energy charges. The energy retailer acknowledged a known billing system issue, which affected a group of some 500 customers. It confirmed that, due to billing system issues, these customers were double-billed. It said all affected customers had been notified and applicable refunds and adjustments applied to their accounts. It advised that a permanent billing system fix was scheduled for March 2014. Until then, affected accounts would be monitored manually. We consider the energy retailer took appropriate steps to resolve the matter. The ESC was notified. SI/2013/84

Billing data generated, but bills couldn't be printed or sent

An energy retailer notified us of an issue where billing data for a group of some 500 customers had been generated, but couldn't be printed or sent. This meant the billing for those customers would be delayed. We received four complaints about the issue. The energy retailer confirmed that a system fix, to be implemented in March 2014, would address the problem. It said it had notified affected customers of the delay and had offered them payment plans. It advised that the accounts would not be subject to debt collection and its billing would be in accordance with the backbilling provisions of the Energy Retail Code. We consider the energy retailer took appropriate steps to resolve the matter. The ESC was notified. SI/2013/101

Delayed billing due to system changes

One complaint to EWOV highlighted that a customer, asking his energy retailer's call centre why his energy bill hadn't arrived, was told the delay was due to system testing and it could be up to two months before his bill was issued. The retailer confirmed that it was making some billing system changes for customers with controlled loads. As a result, these customers would encounter billing delays of between 30 and 60 days. The energy retailer said it had notified affected customers and would offer extended payment terms when the delayed bills were issued. We understand some 2,200 customers were affected. We consider the energy retailer took appropriate steps to resolve the matter. The ESC was notified. SI/2014/1

Incorrect application of additional retail charges

Eight complaints to EWOV alerted us that an energy retailer had applied additional charges to the bills of some customers. These charges were called 'Increased Carbon and Government Schemes Charge' and 'Regulatory and Network Systems Charge'. The energy retailer confirmed that, in mid-2013, it applied these one-off retail charges to the accounts of some 6,500 of its customers. It said that, while the charges were correctly applied to the accounts of its market

contract customers, it shouldn't have applied them to the accounts of 1,952 standing offer customers (a mix of both electricity and gas customers). It said the customers who had been wrongly charged were given refunds on their next bill, the latest occurring in November 2013. The refunds totalled \$54,840. We consider the energy retailer took appropriate steps to resolve the matter. The ESC was notified. SI/2013/64

Misleading door-to-door marketing behaviour

Three complaints lodged with EWOV highlighted that sales representatives of one energy retailer, operating door-to-door, had been attempting to switch customers from another energy retailer, on the basis that they wouldn't be changing companies. This caused a high level of customer confusion and other billing issues around direct debit arrangements, termination fees and dual fuel accounts. The energy retailer resolved the individual complaints EWOV identified, primarily by arranging a retrospective transfer to each customer's preferred energy retailer. It advised that issues of this nature had become infrequent since it ceased door-to-door marketing. We consider the energy retailer took appropriate steps to resolve the matter. The ESC was notified. SI/2013/78

Disconnection service orders for non-payment raised against duplicate accounts

Three complaints to EWOV highlighted instances of supply disconnection, as a result of disconnection service orders for non-payment being raised against duplicate accounts under the customer's name. The retailer attributed the incidents to human error. It confirmed that it had added a step to its de-energisation/re-energisation process checklist to ensure no recurrence. It said it had also raised a request for a billing system change, which would flag the issue should it arise again. WDPs were applicable in these instances and were paid to eligible customers. We consider the energy retailer took appropriate steps to resolve the matter. The ESC was notified. SI/2014/3

Disconnection notices issued with incorrect early disconnection timeframes

Six complaints to EWOV alerted us that an energy retailer was issuing disconnection notices for non-payment that included incorrect early disconnection timeframes. Multiple examples indicated this wasn't an isolated issue. The energy retailer confirmed that a billing system issue affected 13 customers, although none of them actually had their supply disconnected early, as stated in the notices. WDPs were applicable in these instances and were paid to eligible customers. The energy retailer confirmed that a billing system fix would ensure all disconnection notices included the correct disconnection timeframes. It also provided us with a copy of its amended disconnection notice template. We consider the energy retailer took appropriate steps to resolve the matter. The ESC was notified. SI/2013/5

Supply problems due to overloaded transformer

One complaint lodged with EWOV highlighted off-supply problems for the customer as a result of a fault with a transformer in a particular area. It appeared that the fault could also have been causing severe supply and reliability issues to other residents in the area. The energy distributor advised that, as a result of greater demand in the affected customer's area (during a heat wave period), an overloaded transformer blew a fuse, which potentially affected up to 200 customers. The energy distributor confirmed it had found an alternate transformer supply for the customer in question and it had prioritised its upgrade of the transformer, which should occur in November 2014. It also said it didn't anticipate any further issues before the upgrade, because the hot weather period had passed. The ESC wasn't notified. We consider the energy distributor took appropriate steps to resolve the matter. SI/2014/18

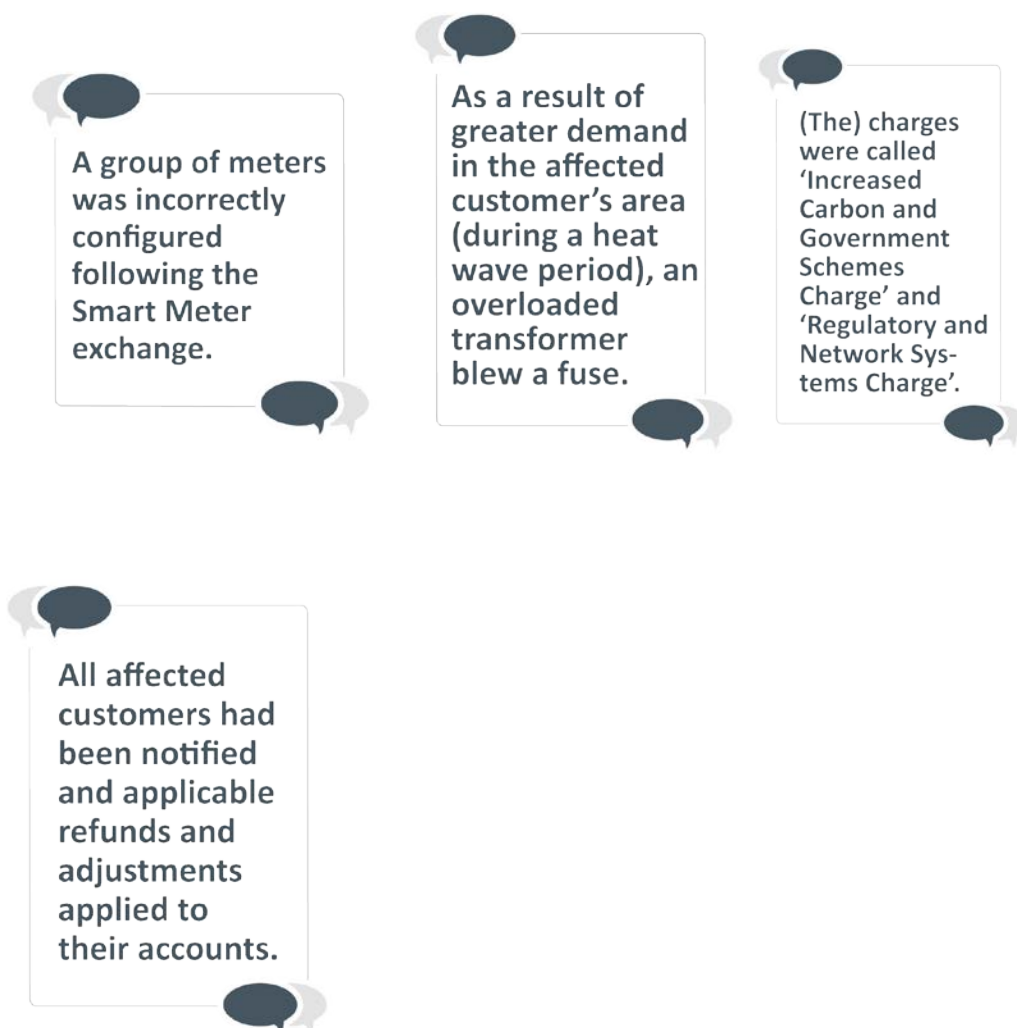
Amount sought on disconnection notice insufficient to prevent disconnection

From three complaints lodged with EWOV, we identified instances where an energy retailer had sent out disconnection warning notices, which sought payment of an amount that wasn't enough

to prevent disconnection. Although the customers concerned paid the amount requested, their supply was subsequently disconnected. When the same issue arose last year (SI/2013/31), the energy retailer attributed it to staff manually inputting the wrong amount. Responding to our enquiries about the most recent complaints, the energy retailer advised that it had amended the disconnection warning notice to correctly reflect the amount of arrears required to prevent disconnection. We viewed a copy of the new disconnection notice structure to verify this. We consider the energy retailer took appropriate steps to resolve this matter. The ESC was notified. SI/2014/17

Time-of-Day pricing had been incorrectly allocated at meter exchange

Responding to one complaint lodged with EWOV, an energy distributor acknowledged a defect with some meter exchanges where Time-of-Day pricing had been incorrectly allocated. The distributor confirmed that a group of meters was incorrectly configured following the Smart Meter exchange. The result was that two streams of peak data were billed, rather than the correct peak and off-peak split. The distributor said it was able to implement a system fix to correct the issue without any manual contact with the meters. It provided revised meter data to retailers to enable some 1,237 affected customers to be re-billed with the correct peak and off-peak split. The ESC was notified. We consider the energy distributor took appropriate steps to resolve the matter. SI/2013/99

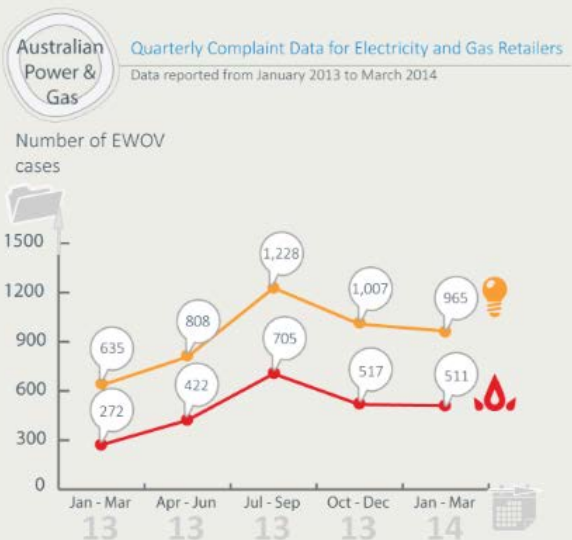
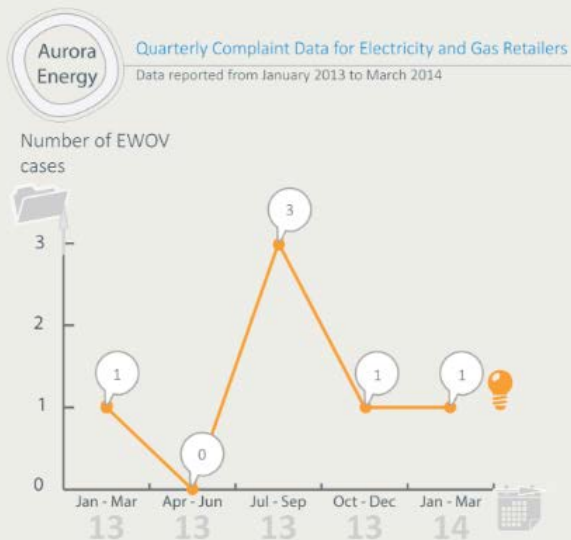
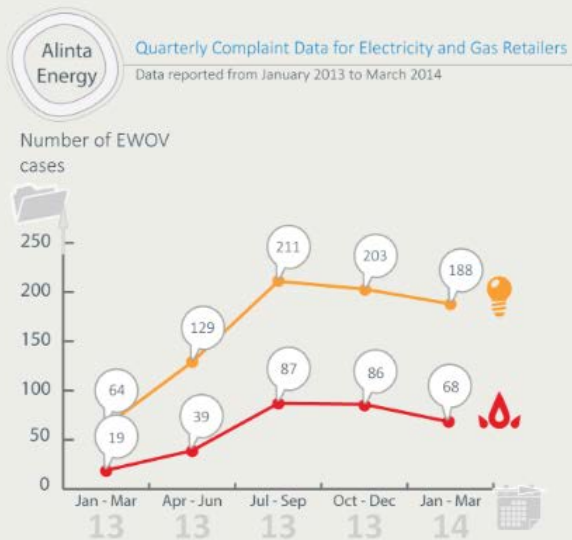
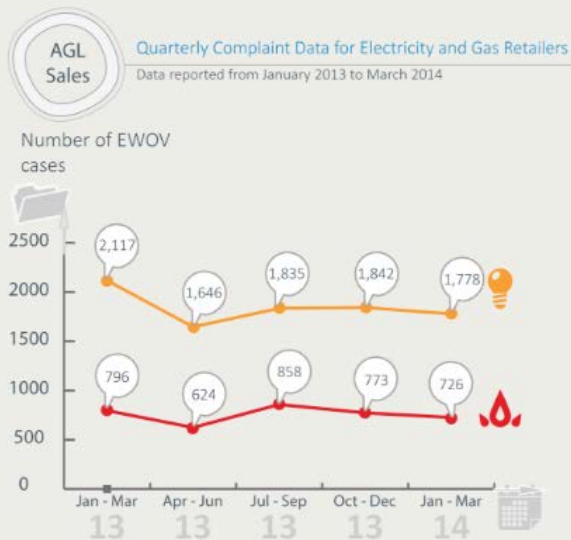


Scheme Participant Data

Quarterly Scheme Participant Case Data

The following Scheme Participant data is reported over the previous five quarters. Please click on the following links to view case numbers for each Scheme Participant by sector.

Electricity and gas retail





Number of EWOV cases



Number of EWOV cases



Number of EWOV cases



Number of EWOV cases





Quarterly Complaint Data for Electricity and Gas Retailers
Data reported from January 2013 to March 2014

Number of EWOV cases



Quarterly Complaint Data for Electricity and Gas Retailers
Data reported from January 2013 to March 2014

Number of EWOV cases



Quarterly Complaint Data for Electricity and Gas Retailers
Data reported from January 2013 to March 2014

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Data reported from January 2013 to March 2014

Number of EWOV cases





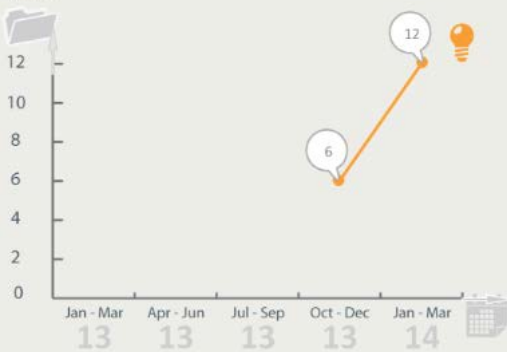
Quarterly Complaint Data for Electricity and Gas Retailers
Data reported from January 2013 to March 2014

Number of EWOV cases



Quarterly Complaint Data for Electricity and Gas Retailers
Data reported from January 2013 to March 2014

Number of EWOV cases



Quarterly Complaint Data for Electricity and Gas Retailers
Data reported from January 2013 to March 2014

Number of EWOV cases



Quarterly Complaint Data for Electricity and Gas Retailers
Data reported from January 2013 to March 2014

Number of EWOV cases



Quarterly Complaint Data for Electricity and Gas Retailers
Data reported from January 2013 to March 2014

Number of EWOV cases



Electricity and gas distribution



Quarterly Complaint Data for Electricity and Gas Distribution Companies
Data reported from January 2013 to March 2014

Number of EWOV cases



Quarterly Complaint Data for Electricity and Gas Distribution Companies
Data reported from January 2013 to March 2014

Number of EWOV cases



Quarterly Complaint Data for Electricity and Gas Distribution Companies
Data reported from January 2013 to March 2014

Number of EWOV cases



Quarterly Complaint Data for Electricity and Gas Distribution Companies
Data reported from January 2013 to March 2014

Number of EWOV cases





Quarterly Complaint Data for Electricity and Gas Distribution Companies

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Number of EWOV cases



Quarterly Complaint Data for Electricity and Gas Distribution Companies

Data reported from January 2013 to March 2014

Number of EWOV cases



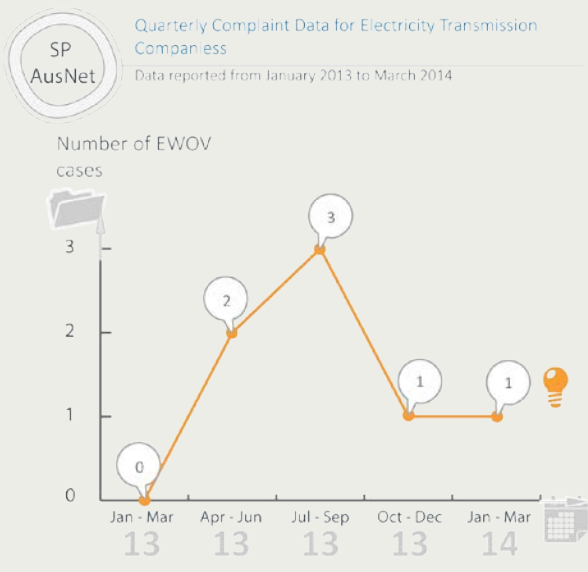
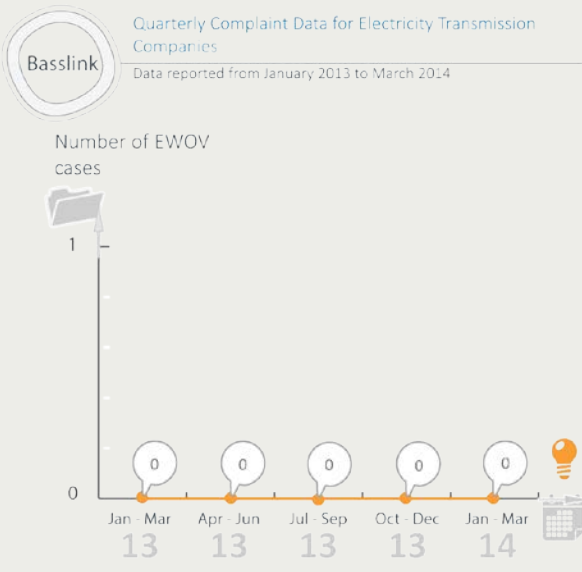
Quarterly Complaint Data for Electricity and Gas Distribution Companies

Data reported from January 2013 to March 2014

Number of cases by company



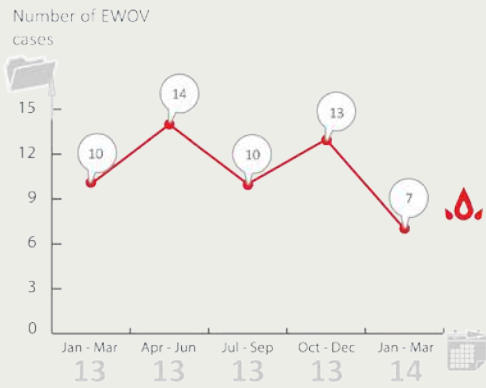
Electricity transmission



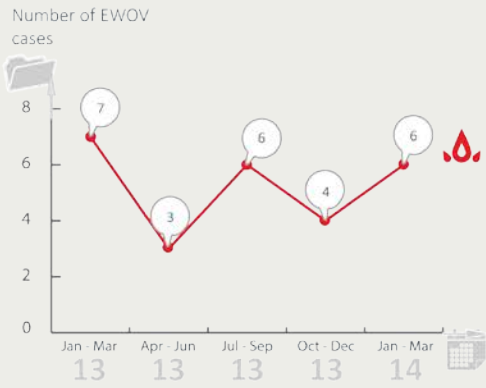
LPG Retail



Quarterly Complaint Data for Liquefied Petroleum Gas (LPG) Retailers
Data reported from January 2013 to March 2014



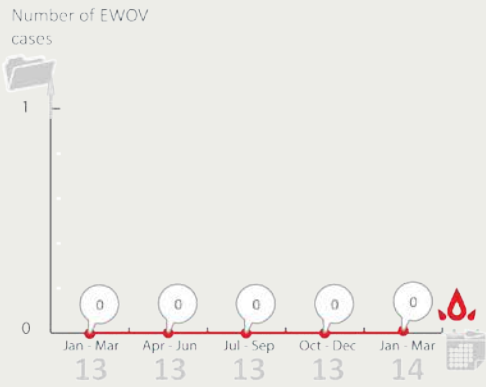
Quarterly Complaint Data for Liquefied Petroleum Gas (LPG) Retailers
Data reported from January 2013 to March 2014



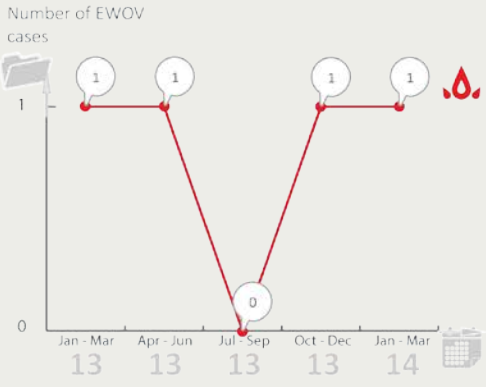
Quarterly Complaint Data for Liquefied Petroleum Gas (LPG) Retailers
Data reported from January 2013 to March 2014



Quarterly Complaint Data for Liquefied Petroleum Gas (LPG) Retailers
Data reported from January 2013 to March 2014



Quarterly Complaint Data for Liquefied Petroleum Gas (LPG) Retailers
Data reported from January 2013 to March 2014



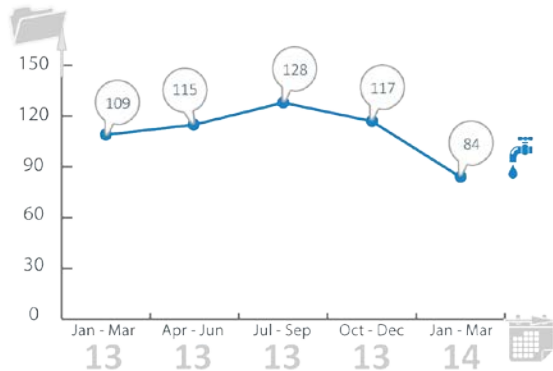
Water corporations



Quarterly Complaint Data for Metropolitan Water Retailers

Data reported from January 2013 to March 2014

Number of EWOV cases



Quarterly Complaint Data for Metropolitan Water Retailers

Data reported from January 2013 to March 2014

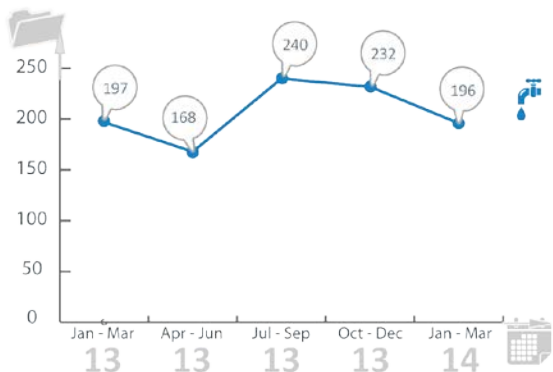
Number of EWOV cases



Quarterly Complaint Data for Metropolitan Water Retailers

Data reported from January 2013 to March 2014

Number of EWOV cases



Quarterly Complaint Data for Metropolitan Water Wholesaler

Data reported from January 2013 to March 2014

Number of EWOV cases





Quarterly Complaint Data for Regional Urban Water Corporations

Data reported from January 2013 to March 2014

Number of EWOV cases



Quarterly Complaint Data for Regional Urban Water Corporations

Data reported from January 2013 to March 2014

Number of EWOV cases



Quarterly Complaint Data for Regional Urban Water Corporations

Data reported from January 2013 to March 2014

Number of EWOV cases



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Data reported from January 2013 to March 2014

Number of EWOV cases



Quarterly Complaint Data for Regional Urban Water Corporations
Data reported from January 2013 to March 2014

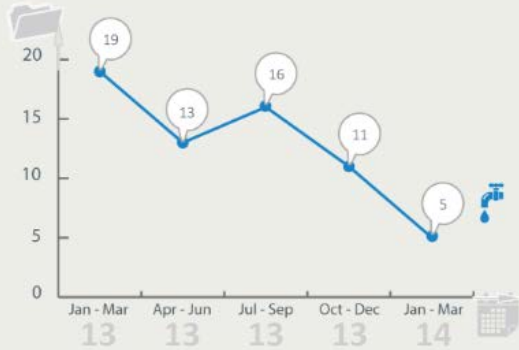
Number of EWOV cases





Quarterly Complaint Data for Regional Urban Water Corporations
Data reported from January 2013 to March 2014

Number of EWOV cases



Quarterly Complaint Data for Regional Urban Water Corporations
Data reported from January 2013 to March 2014

Number of EWOV cases



Quarterly Complaint Data for Regional Urban Water Corporations
Data reported from January 2013 to March 2014

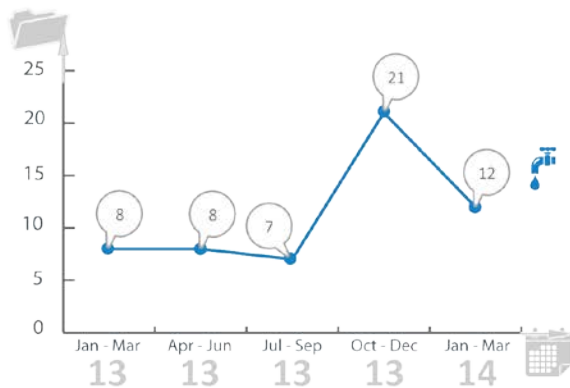
Number of EWOV cases





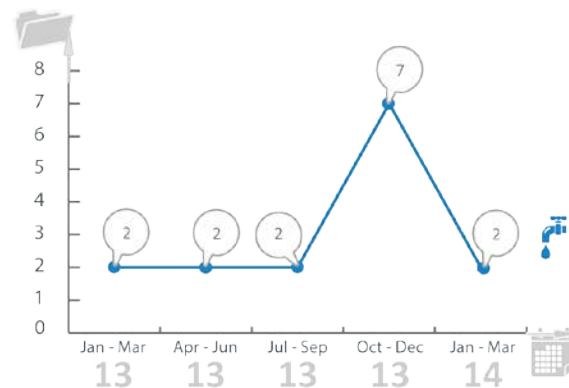
Quarterly Complaint Data for Rural Urban Water Corporations
Data reported from January 2013 to March 2014

Number of EWOV cases



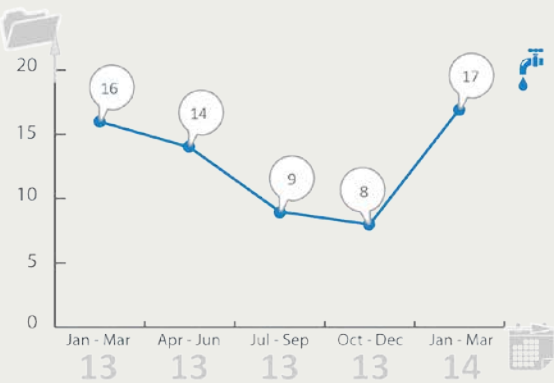
Quarterly Complaint Data for Rural Urban Water Corporations
Data reported from January 2013 to March 2014

Number of EWOV cases



Quarterly Complaint Data for Rural Water Corporations
Data reported from January 2013 to March 2014

Number of EWOV cases



Quarterly Complaint Data for Rural Water Corporations
Data reported from January 2013 to March 2014

Number of EWOV cases

