

EWOV has been handling electricity cases since it opened for full service in May 1996. 29 electricity companies were participating in the EWOV scheme at 1 July 2007 — 22 retailers, 5 distributors and 2 transmission companies.

All electricity customers in Victoria can choose their electricity retailer. They don't have choice of distributor, because each electricity distributor is responsible for the electricity network in a specific part of Victoria.

There are three 'local' electricity retailers which each have an obligation to offer to sell electricity to customers in their local areas. They can also sell to customers in other areas, in competition with the local retailer and independent retailers.

2006/07 ELECTRICITY CASES

- ➔ **11,909 electricity cases overall**, down 6%
19% enquiries and 81% complaints
Most commonly — the process of switching retailer
- ➔ **10,240 electricity retail cases**, up 24 cases
16% enquiries and 84% complaints
Most commonly — the process of switching retailer
- ➔ **1,090 electricity distribution cases**,
down 23%
18% enquiries and 82% complaints
Most commonly — unplanned outage
- ➔ **11 electricity transmission cases**, up 8 cases
2 enquiries and 9 complaints
Most commonly — unplanned outage



ELECTRICITY CONTINUED

Figure 12: How many electricity cases did EWOV receive and finalise in 2006/07?

	customer bandwidths [^]	Overall cases		Enquiries	Total Complaints	Complaints				
		2006/07	2005/06			full investigations finalised	complaints received for full investigation	complaints referred to higher-level contact	complaints referred to provider	referred ° elsewhere and other complaints
RETAIL										
ActewAGL Retail	♂	0	0	0	0	0	0	0	0	0
AGL Sales	♂♂♂	2,425	2,575	421	2,004	860	832	733	393	46
Aurora Energy	♂	0	1	0	0	0	0	0	0	0
Australian Power & Gas "	♂	7	-	4	3	0	0	3	0	0
Click Energy #	♂	0	-	0	0	0	0	0	0	0
Country Energy	♂	210	227	46	164	48	46	80	37	1
EA-IPR Retail Partnership ##	♂	787	794	95	692	229	212	334	106	40
Energy One **	♂	2	-	1	1	0	0	0	0	1
Integral Energy	♂	3	1	2	1	0	0	0	0	1
Jackgreen	♂	83	38	20	63	24	23	20	13	7
Momentum Energy	♂	172	63	17	155	54	53	63	37	2
Origin Energy	♂♂♂♂	3,458	3,541	632	2,826	1,255	1,245	979	555	47
Our Neighbourhood Energy ``	♂	2	-	0	2	0	0	1	1	0
Powerdirect	♂	443	411	54	389	151	140	146	87	16
Powerdirect Australia ""	♂	2	1	2	0	0	0	0	0	0
Red Energy	♂	332	281	50	282	100	86	132	50	14
Sun Retail ^^	♂	0	6	0	0	0	0	0	0	0
TRUenergy	♂♂♂	1,511	1,947	149	1,362	589	541	538	250	33
Victoria Electricity	♂	803	330	95	708	209	227	311	135	35
Total retail		10,240	10,216	1,588	8,652	3,519	3,405	3,340	1,664	243
DISTRIBUTION										
	% customers									
AGL Electricity (July - Oct 2006) *	(12%)	44	167	12	32	10	4	16	12	0
Alinta AE (Oct 2006 - June 2007) *	(12%)	107	-	13	94	17	26	40	26	2
CitiPower	(12%)	91	83	24	67	16	13	24	24	6
Powercor Australia	(27%)	308	331	55	253	70	80	90	71	12
SP AusNet	(24%)	313	624	45	268	101	80	102	75	11
United Energy (Alinta)	(25%)	227	219	44	183	48	54	77	47	5
Total distribution		1,090	1,424	193	897	262	257	349	255	36
TRANSMISSION										
National Grid (Basslink)		0	0	0	0	0	0	0	0	0
SP AusNet		11	3	2	9	1	1	1	6	1
Total transmission		11	3	2	9	1	1	1	6	1
Non provider specific		568	993	454	114	-	-	-	39	75
ELECTRICITY TOTALS		11,909	12,636	2,237	9,672	3,782	3,663	3,690	1,964	355

NOTES:

Reflects data run at 24 July 2007. Some of the complaints which were fully investigated and finalised were received prior to July 2006.

° 137 complaints were referred elsewhere. 218 other complaint issues did not require referral or investigation.

" Australian Power & Gas joined EWOV as an electricity retail scheme participant on 6 November 2006.

Click Energy joined EWOV on 23 May 2007.

Since 1 August 2007, EA-IPR Retail Partnership has been known as Simply Energy.

** Energy One joined EWOV on 13 July 2006 and ceased retailing electricity on 22 June 2007.

`` Our Neighbourhood Energy joined EWOV on 18 July 2006.

"" Powerdirect Australia was formerly Ergon Energy and is now owned by AGL.

^^ Sun Retail was formerly ENERGEX. It is now owned by Origin Energy.

* In October 2006, AGL Electricity Distribution ceased to exist as an entity and was renamed Alinta AE.

^ Customer bandwidths: ♂ denotes less than 250,000 customers at 30 June 2007; ♂♂ 250,001 - 500,000 customers; ♂♂♂ 500,001 - 750,000 customers; ♂♂♂♂ 750,001 - 1,000,000 customers. This is based on information provided to EWOV by each retailer.

~ Electricity distributors' customer shares are based on 2005 customer numbers in the ESC's Electricity Distribution Businesses - Comparative Performance Report 2005 (October 2006).

Figure 13: How are electricity cases trending? What issues arise most commonly?

Case trends

	2003 - 2004	2004 - 2005	2005 - 2006	2006 - 2007
Electricity overall	9,624	13,491	12,636	11,909
Electricity retail	8,012	11,252	10,216	10,240
Electricity distribution	1,025	1,346	1,424	1,090
Electricity transmission	6	5	3	11

Most common issues

Electricity industry overall (total of 13,412 issues)				%
Retail Competition > Transfer			1,835	14
Billing > High			1,320	10
Retail Competition > Marketing			1,155	9
Credit > Arrears			727	5
Billing > Error			680	5
Electricity retail (total of 11,602 issues)				%
Retail Competition > Transfer			1,764	15
Billing > High			1,295	11
Retail Competition > Marketing			1,072	9
Credit > Arrears			714	6
Billing > Error			670	6
Electricity distribution (total of 1,181 issues)				%
Supply > Unplanned Outage			283	24
Provision > In-Place/Existing			204	17
Provision > New			137	12
Supply > Voltage Variation			104	9
Supply > Planned Outage			92	8
Electricity transmission (total of 11 issues)				%
Supply > Unplanned Outage			4	36
Provision > In-Place/Existing			2	18
Provision > New			2	18

NOTE: Some cases raised more than one issue.

Figure 14: On average, how much time did EWOV spend on each type of electricity case?

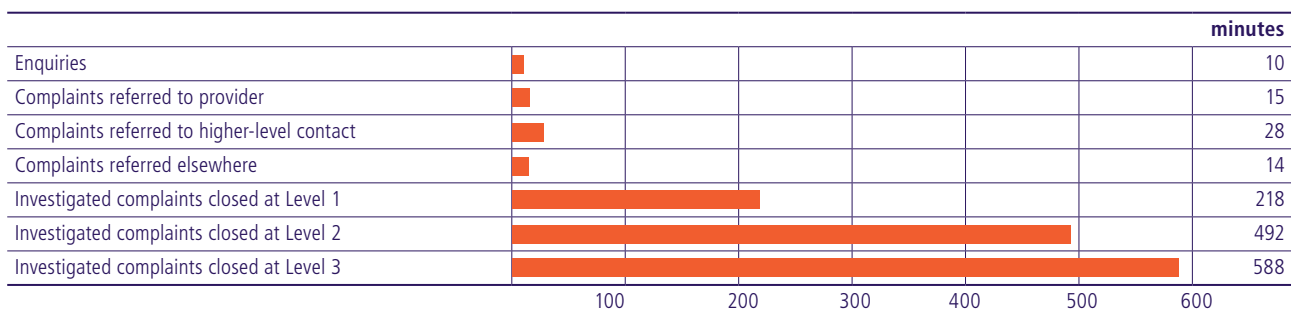
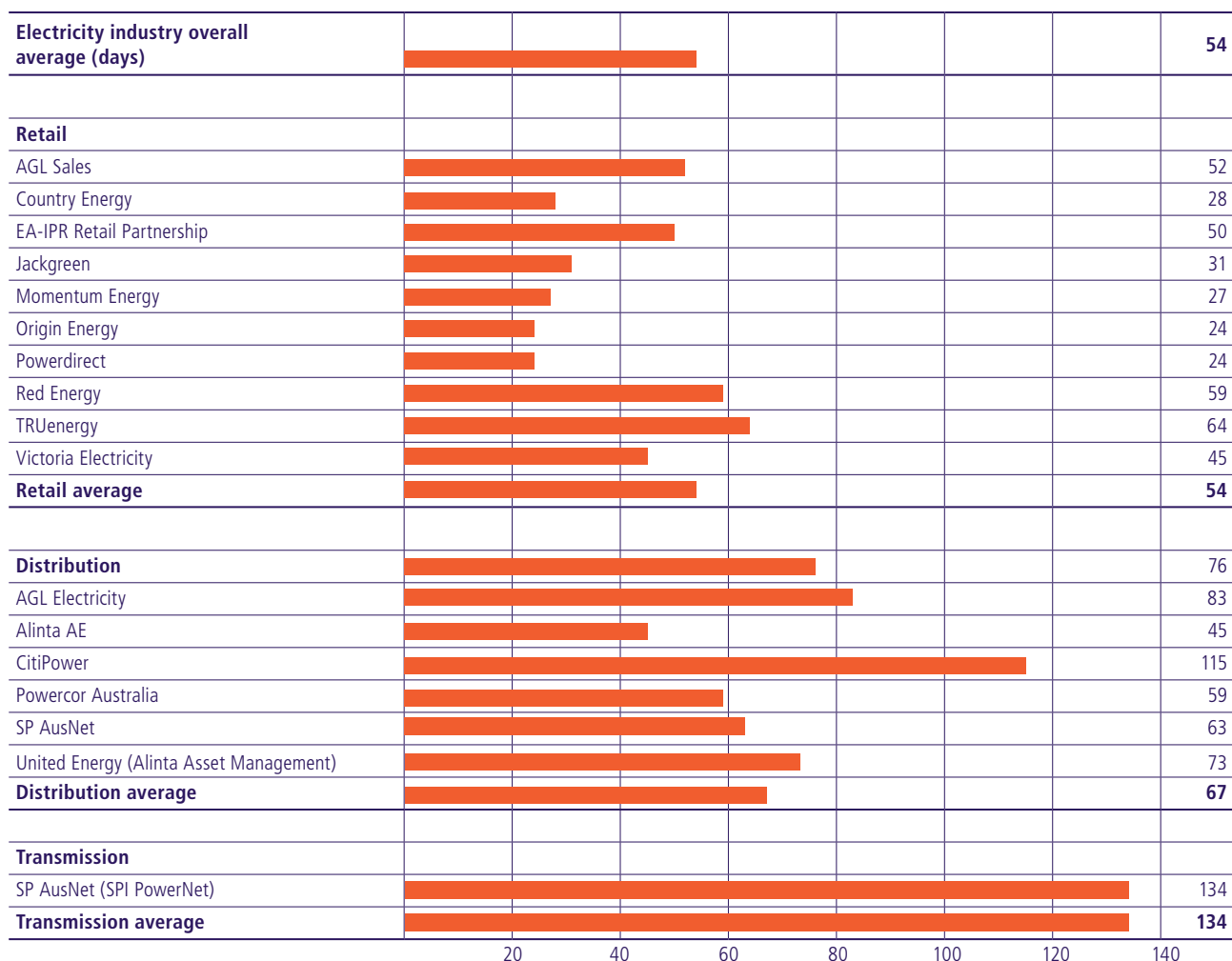


Figure 15: How did EWOV finalise electricity enquiries?

Finalisation Method	Count	%
Provided general information and referred to provider	1,381	62
Provided general information	601	27
Referred to a Regulator	134	6
Referred to another Ombudsman	49	2
Referred to Government/MP	11	< 1
Referred elsewhere	61	3
Total	2,237	100

Figure 16: On average, how many days did it take to close the electricity complaints EWOV fully investigated?



NOTES:

179 electricity investigations were upgraded to Level 2 during this period and 24 investigations were upgraded to Level 3.

List excludes scheme participants for whom no full investigations were finalised by EWOV in 2006-07.

Some of the complaints which were fully investigated and finalised were received prior to July 2006.

Case complexity contributes to the time taken to close a case. EWOV's seeking of technical or legal advice and delays in customer action/replies may also have an effect.

Case closure times may also be affected by factors internal to the provider, such as the time required for field testing and site inspections, and its resourcing for complaint handling.

Figure 17: How many electricity complaints were fully investigated and closed within 28, 60 and 90 days?

	Total	%
Within 28 days	1,585	42
Within 60 days	2,650	70
Within 90 days	3,108	82
Above 90 days	674	18
Total	3,782	100

C/2006/10186

Loss of off-peak heating following transfer and meter changes

Mr L's property had slab heating. When he switched electricity retailer, he found his new retailer billed all of his usage at peak rates. His previous retailer had billed his slab heating and hot water at off-peak rates and his other usage at peak rates.

When Mr L queried this, the retailer acknowledged billing all of his usage at peak rates wasn't correct. However, it said it was only able to bill him on a Winner rate — whereby off-peak is determined by when the electricity is used, rather than the appliance which uses it. This meant that some of his slab heating would be billed at the peak rate. Mr L was concerned that, in winter, this had the potential to significantly affect his bills.

As part of our investigation of Mr L's complaint, we reviewed the events leading up to the change of retailer. We noted that, around the same time as he arranged to switch to the new retailer, Mr L had asked for electrical work to be done at the property. When this work was done, the electricity distributor installed a new interval meter. This meter replaced two old meters at the site — one connected to the slab heating and hot water service and one for the rest of the house.

It turned out that the new meter was the key to the complaint. The work Mr L asked for involved replacing overhead wires with underground ones. It required the two old meters to be disconnected — and electricity industry technical requirements meant they had to be replaced with a new meter.

The new meter didn't capture usage data in the same way as the old meters. Instead of recording the usage on an 'appliance basis', it recorded the usage on a 'time of use' basis. The retailer received data in this format only, limiting its capacity to bill in any other way.

The issue was complicated by the fact that, when the new retailer quoted Mr L a contract price, the quote was based on the two original meters.

We reviewed the case with the retailer, the distributor and the industry regulator. Under the relevant regulations, unless there's a material change in the electrical wiring at a property, or a change has been asked for, a written notice should be issued before the change occurs. This ensures that, before customers make decisions about changes to their electrical installations, they can assess the impact of any consequential billing changes.

In this case there was no material change in the installation at the site, Mr L hadn't asked for a change to his meter configuration, and no notice had been issued. So, the new meter should have been installed in a way which allowed the distributor to continue to record data and the retailer to bill on the original 'appliance' basis.

Via its business to business relationship, the retailer arranged for the distributor to replace the new meter with one that met the industry technical requirements, but also allowed recording on an 'appliance' basis. This would allow future bills to be generated with separate off-peak reads for the slab heating and hot water service. The retailer and the distributor agreed to review Mr L's recent bills and adjust them accordingly.

In addition, the distributor agreed to reimburse Mr L the cost of having his electrician check the new installation—and the retailer made a \$300 payment to Mr L in recognition of customer service issues.

This case shows how a number of events occurring together can make a problem much more difficult to resolve. It also highlights the importance of communication among all of the stakeholders in working towards a resolution.

EWOV has been looking generally at customer complaints associated with the rollout of electronic interval meters (SI/2005/51). Cases such as this one provide a useful basis for exploring the processes that apply in such situations and some of the practical challenges for providers, customers and other stakeholders. Also highlighted are some of the key matters to look for in similar cases to speed resolution — within both providers' internal dispute resolution processes and EWOV's processes.

NOTE:

Case studies are provided to demonstrate the range of complaints received, and the outcomes achieved through EWOV investigation. Initials used have no relevance to the name of the actual customer who lodged the complaint.

C/2006/7012

High bills — usage confirmed but disputed

Mr W had received two higher than expected electricity bills — \$1,854.00 for the period September 2005 to December 2005 and \$1,163.15 for March 2006 to June 2006. His usual quarterly bills were between \$200 and \$400. He said that his electricity retailer told him the bills were based on actual meter reads and correctly reflected his usage.

Contacted by EWOV, the electricity retailer confirmed this. It also confirmed that neither a meter test nor an energy audit had been conducted.

Our review of Mr W's bills showed that the bill for September 2005 to December 2005 was based on an actual meter read — but included a catch-up amount because his previous bill was based on an estimate. We also found that, although Mr W's usage increased in the March 2006 to June 2006 billing period, it fell again the following period.

We obtained a meter test and arranged for an on-site energy audit. The meter was shown to be working correctly. The energy audit indicated that more electricity was being used at the property than would be expected with the current appliances and only one occupant. The heater was found to be faulty.

The retailer acknowledged the energy audit, but pointed out that the electricity had been used. Mr W didn't want to pay the bills off and, before contacting EWOV, he hadn't been making payments.

Recognising the financial situation the high bills placed Mr W in, the retailer credited his account with \$300. To help him pay the remainder off, the retailer offered him a 3:1 incentive plan. For every three monthly payments of \$225 he made in the next 12 months, it would credit his account with a payment of \$225. Providing he stuck to the payment arrangement, he'd receive a total credit of \$900 (4 x \$225).

Before our investigation, this customer wasn't willing to accept that his property was using the amount of electricity it apparently was. The combination of a meter test, energy audit and account reconciliation, showed him this was the case and also identified his heater as a likely cause. The retailer assisted resolution by providing financial incentives.

C/2007/1325

Frustration in trying to claim for computer damage

Mr X said his computer was damaged when he lost power to his property on 16 January 2007, following bush fires and power outages. He wanted to claim the loss on his insurance policy. He couldn't do so, however, without a letter from his electricity distributor, acknowledging there was power shedding that day due to a natural event, i.e. the fires.

Mr X said his electricity distributor told him there was no record of his supply being affected on 16 January 2007. He complained that it had refused to give him the letter and had told him that, even if fire had damaged the lines, this didn't mean it caused the damage to his computer.

Contacted by EWOV, the electricity distributor reviewed its record of events for 16 January 2007. It confirmed there was no record of load shedding affecting the zone substation or the feeder supplying Mr X. It said that load shedding incidents were captured in an automated system — and it was confident that any large scale event would have been recorded.

However, the distributor also advised that, if Mr X had advice from a qualified repairer stating the damage to his computer was due to a voltage variation, he could submit a claim (to the distributor) for compensation. This claim would be assessed in accordance with the Essential Services Commission's *Voltage Variation Compensation Guideline*.

We explained this to Mr X, who submitted his claim. He subsequently accepted the distributor's offer of \$577 (\$77 repairer assessment fee and \$500 for the computer).

While a customer may have an outcome/resolution in mind when they first contact EWOV, this may change during our investigation, with the customer still satisfied with the result. That said, had Mr X's complaint been effectively escalated and addressed within the distributor's internal dispute resolution processes, he'd have known about the compensation potentially available to him under the *Voltage Variation Compensation Guideline* — and a complaint to EWOV could have been avoided.
