

EWOV has received natural gas cases since March 1999 and LPG (liquefied petroleum gas, or bottled gas) cases since July 2005.

18 gas companies were participating in the EWOV scheme at 1 July 2007 — 9 natural gas retailers, 4 natural gas distributors and 5 LPG retailers.

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

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

Customers using LPG at home, or in their business, can choose to purchase it from LPG retailers or resellers operating in their area. However, EWOV's jurisdiction extends to LPG retailers only.

2006/07 GAS CASES

- **3,888 gas cases overall**, up 10%
19% enquiries and 81% complaints
Most commonly — the process of switching retailer
- **3,456 natural gas retail cases**, up 12%
16% enquiries and 84% complaints
Most commonly — the process of switching retailer
- **129 natural gas distribution cases**,
down 37%
14% enquiries and 86% complaints
Most commonly — new connections/installations
- **149 LPG (retailer specific) cases**, up 67%
42% enquiries and 58% complaints
Most commonly — fees & charges

Figure 18: How many gas 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 ^o complaints and other complaints
NATURAL GAS RETAIL										
AGL Sales	■■■■	947	1,060	115	832	365	357	306	159	10
Australian Power & Gas *	■	0	-	0	0	0	0	0	0	0
EA/IPR Retail Partnership #	■	313	346	31	282	104	88	138	53	3
Origin Energy	■■■■	1,242	910	300	942	297	323	387	209	23
Sun Gas Retail "	■	0	0	0	0	0	0	0	0	0
TRUenergy	■■	720	719	81	639	244	232	263	132	12
Victoria Electricity	■	234	61	14	220	81	81	88	43	8
Total natural gas retail		3,456	3,096	541	2,915	1,091	1,081	1,182	596	56
NATURAL GAS DISTRIBUTION (% customers) [~]										
Envestra	(30%)	33	42	6	27	8	9	10	7	1
Multinet Gas	(39%)	44	72	3	41	15	7	24	10	0
SP AusNet	(31%)	52	91	9	43	21	13	19	9	2
Total natural gas distribution		129	205	18	111	44	29	53	26	3
NON PROVIDER SPECIFIC										
Natural gas		140	125	98	42	-	-	-	11	31
LPG		14	13	9	5	-	-	-	0	5
LPG (RETAILER SPECIFIC)^{'''}										
Elgas		60	-	23	37	8	12	14	9	2
Kleenheat		56	-	18	38	7	9	10	19	0
Origin Energy LPG		11	-	3	8	2	1	3	2	2
Powergas		3	-	1	2	1	1	0	1	0
Supagas		19	-	17	2	1	1	0	1	0
Total LPG (retailer specific)		149	89	62	87	19	24	27	32	4
GAS TOTALS		3,888	3,528	728	3,160	1,154	1,134	1,262	665	99

NOTES:

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

^o 64 complaints were referred elsewhere. 35 other complaint issues did not require referral or investigation.

* Australian Power & Gas joined EWOV as a gas retail scheme participant on 19 April 2007.

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

" Sun Gas Retail was formerly ENERGEX. It is now owned by AGL.

[^] Customer bandwidths: ■ denotes less than 250,000 customers at 30 June 2007; ■■ 250,001 - 500,000 customers; ■■■ 500,001 - 750,000 customers. This is based on information provided to EWOV by each natural gas retailer. LPG customer numbers are not currently available.

[~] Natural gas distributors' customer shares are based on 2005 customer numbers in the ESC's *Gas Distribution Businesses - Comparative Performance Report 2005* (August 2006).

^{'''}EWOV has been receiving LPG cases since 1 July 2005. Reporting on individual LPG retailers began from July 2006.

Figure 19: How are gas cases trending? What issues arise most commonly?

Case trends

	2003 - 2004	2004 - 2005	2005 - 2006	2006 - 2007
Gas overall	2,769	3,882	3,528	3,888
Natural gas retail	2,508	3,568	3,096	3,456
Natural gas distribution	150	169	205	129
LPG (retailer specific)	-	-	89	149

Most common issues

Gas industry overall (total of 4,340 issues)					%
Retail Competition > Transfer			717		17
Credit > Disconnection			375		9
Billing > High			367		8
Credit > Arrears			296		7
Retail Competition > Marketing			254		6
Gas retail (total of 3,868 issues)					%
Retail Competition > Transfer			691		18
Credit > Disconnection			369		10
Billing > High			351		9
Credit > Arrears			276		7
Retail Competition > Marketing			246		6
Gas distribution (total of 141 issues)					%
Provision > New			38		27
Land > Pipes			29		21
Provision > In-Place/Existing			27		19
Supply > Unplanned Interruption/Restriction			7		5
Billing > Meter			5		4
Customer Service > Poor			5		4
LPG (total of 160 issues)					%
Billing > Fees & Charges			27		17
Credit > Arrears			16		10
Billing > Price of LPG			13		8
Credit > Credit/Collection			8		5
Billing > Tariff			7		4

NOTE: Some cases raised more than one issue.

Figure 20: On average, how much time did EWOV spend on each type of gas case?

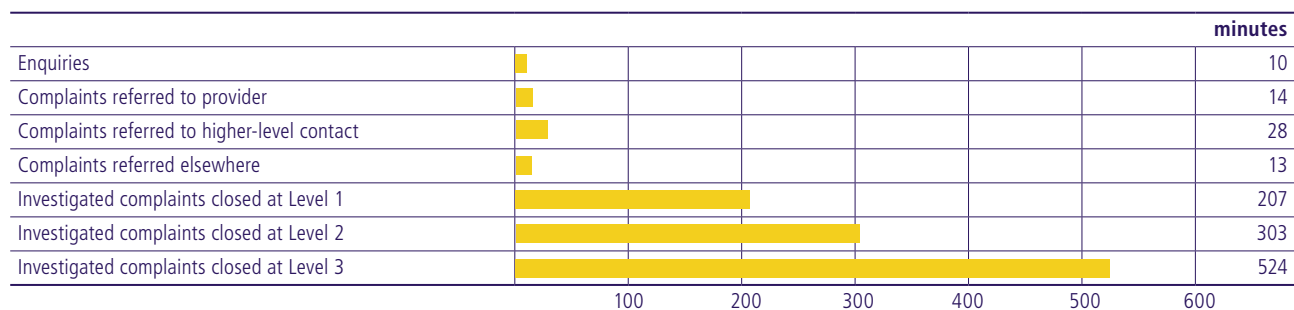


Figure 21: How did EWOV finalise gas enquiries?

		%
Provided general information and referred to provider	514	71
Provided general information	154	21
Referred to a Regulator	27	4
Referred to another Ombudsman	7	1
Referred to Government/MP	7	1
Referred elsewhere	19	3
Total	728	100

G/2006/925

Alleged damage to boundary fence

Mr V believed excavation equipment operated by his natural gas distributor had damaged his fence. The alleged damage included a tyre mark on the fence and a crack in the cement.

Mr V had contacted the distributor several times, including sending photos of the damage. After an inspection, the distributor agreed to clean the tyre marks from the fence. However, this didn't remove the marks and Mr V wasn't happy with the outcome. He said the distributor had subsequently told him it wasn't responsible for the damage and would take no further action.

When we contacted the distributor, it confirmed its on-site assessment of the damage and that it believed it wasn't responsible. In its view, the cracks weren't consistent with an excavator coming into contact with the fence and had been there before the works. It asked for an independent assessment of the damage and agreed to compensate Mr V if the report showed that it was responsible for the damage.

We arranged for the independent assessment. It was found that excavation in the vicinity of the fence and the impact of machinery may have contributed to the damage. However, the assessment didn't conclude that any one factor was responsible. It also identified the damage as slight and unlikely to pose any long term threat to the fence's viability.

The distributor apologised to Mr V in writing for the inconvenience he'd been caused and contributed \$500 towards the repair of his fence. It also agreed to assess the fence in two years should Mr V make a further claim. Mr V accepted this.

Rather than relying on subjective opinions about the damage, with the assistance of an EWOV independent advisor, the parties were able to come to an agreement based on objective and independent advice. To its credit, although the distributor believed it wasn't responsible for the damage, in a clear demonstration of its willingness to participate in EWOV's conciliation process, it was prepared to pay the costs if the independent assessment showed otherwise.

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.

G/2007/163

Conflicting information makes it hard to sort out a high bill

Mr N said he'd been receiving regular estimated natural gas bills of between \$30 and \$50, because of meter access issues. He then received an unexpectedly high bill of \$750. He also advised that the meter had been changed over in November 2006 and was now behind an unlocked gate.

Mr N said that, on receiving the high bill, he went to check his meter reading and could smell gas near the meter. He immediately contacted the local distributor, which sent a service crew out. Mr N said the service crew told him there was a gas leak on his side of the meter, and he was being charged for leaking gas.

When Mr N contacted his retailer about his billing, he was told the leak was on the distributor's side of the meter and wouldn't have affected his bill. He said he was also told that it was the distributor's responsibility to fix the leak. However, Mr N was later told he'd have to pay for the repairs.

Dissatisfied with the conflicting advice he was getting, Mr N contacted EWOV to seek an independent investigation of the matter.

We contacted Mr N's natural gas retailer as it was responsible for his billing. The retailer confirmed that the distributor's service crew had located the leak on the distributor's side of the meter — but it wouldn't have affected Mr N's bills. The retailer also told us the high bill Mr N received was 'catch-up' bill due to his previous estimated meter readings. It offered a payment arrangement to help him pay it off. It also confirmed that meter access was no longer an issue.

We contacted the natural gas distributor for the technical report on the gas leak. We also asked whether the leak could have affected Mr N's usage. The distributor told us the leak was at an outlet connection on the customer's side of the meter and would have registered as usage through the meter. This advice conflicted with that provided to the retailer and subsequently to us by the retailer. We forwarded the advice to the retailer, which reconfirmed it with the distributor.

In resolving Mr N's complaint, the retailer took account of the fact that the leak had registered usage on Mr N's meter and credited his account with \$59.66. It offered to accept monthly 'self reads' from Mr N to ensure his ongoing bills were accurate. It also offered him an affordable payment plan to pay off the high bill he'd received after the estimated bills.

Our independent investigation showed that neither the customer nor the retailer was really at fault — and that information provided by a third party had, at least in part, contributed to the problem. However, estimated billing and access arrangements continue to be major issues for both customers and providers. It's useful for customers to know that some retailers will accept self-reads of meters, and that these may help customers avoid high 'catch up' bills.

G/2007/835

High bills remain a mystery

When Ms P, a restaurant owner, received three high natural gas bills (between \$1,900 and \$2,600), she thought there may be a problem with her business' gas meter. Her bills were usually between \$1,500 and \$1,600.

Her natural gas retailer had removed the meter for testing, replacing it with a new one. It subsequently told Ms P the meter had passed the testing. Ms P remained concerned because her bills returned to their previous levels after the new meter was installed.

Contacted by us, the natural gas retailer confirmed the old meter was working to Australian Standards. It also said a plumber had assessed the gas fitting line and all of the appliances at Ms P's restaurant and found no problems. Looking at her usage history, the retailer thought it likely Ms P had just used more gas.

As part of our investigation, we asked for all the documentation Ms P had received in relation to the high bills. We used this to help her work out the amount she was actually disputing — i.e. the difference between what she usually paid and the amounts of the high bills. Ms P insisted that her business hadn't used more gas over the period in question, so we also asked her for documentation to support this. The information we received didn't point to an increase in business activity, and we advised the retailer accordingly.

Despite a number of tests, and a thorough investigation, no fault was found with the business' gas meter or pipes. It therefore appeared that Ms P may indeed have used the amount of gas for which she'd been billed. However, that couldn't be established either. In the end, Ms P and the retailer agreed to meet half-way and a total of \$941 was credited to Ms P's account.

This case demonstrated active participation by both parties and a resolution that was reflective of the merits of the complaint. Sometimes, no matter how much investigation is undertaken, it's not possible work out why a customer has received a higher than expected bill, or succession of bills. Having availed themselves of EWOV's independent services, the parties realised this and met half way, resolving the matter amicably and fairly.

L/2006/79

Invoice with two dates

Ms W rang EWOV on 4 July 2006 saying her LPG provider had left her a bill for gas which hadn't been delivered. She said that on 30 May 2006, she'd received an LPG delivery. She paid the account for \$118.82 on 2 June 2006.

Ms W was away from 8 June 2006 to 16 June 2006. She returned to find her gate unlocked. She then received a bill for \$115.35, which she believed showed a delivery on 14 June 2006, while she was away and the gate was locked. When Ms W called the retailer, she was told she'd need to speak with the delivery driver. She said that when she did this, the driver threatened to stop her deliveries.

The LPG retailer told EWOV a delivery of 133 litres was made on 22 June 2006. It said that, in line with its standard procedures, on 13 June 2006 it had generated a blank tax invoice. This didn't contain details of how much LPG was to be delivered or how much it cost, because these details wouldn't be known until the gas was delivered. It was printed with the expected delivery date of 14 June 2006.

However, on 14 June 2006, the retailer's driver was sent to another area and made no attempt to deliver to Ms W. The truck used that day had GPS tracking which showed it wasn't in Ms W's area. In line with usual practice, the driver returned the tax invoice to the depot as he hadn't made the delivery.

The retailer said that, on 22 June 2006, the truck was sent out again with the same tax invoice. The truck delivery record showed the retailer's driver made the delivery that day. It also said the driver hand-wrote 22.06.06 and 133 litres of gas delivered on the invoice and left a copy in Ms W's letter box. As a result, the invoice she received had the two dates on it.

Our investigation showed that Ms W was on an automatic LPG delivery run. Our discussions with her indicated this and the retailer said it had explained this to her in July 2006. As a result, deliveries were made regularly, not based any request from her.

We checked the invoice and the retailer's delivery records and concluded the gas wasn't delivered between 8 June 2006 and 16 June 2006. Our check of the truck records satisfied us that the delivery took place on 22 June 2006. This was supported by our analysis of Ms W's usage history, on a daily use basis.

Our investigation concluded that the LPG retailer had delivered 133 litres of gas to Ms W on 22 June 2006, so the bill of \$115.35 was issued correctly. The case was closed on the basis that no further investigation was warranted. We advised Ms W of the result of our investigation. She didn't agree with the outcome.

Keeping records of incidents and detailed procedures is important, especially when a product is delivered to a customer automatically. In this case, the LPG retailer's detailed records — of its standard procedures, its truck deliveries, where the truck had travelled, its contact with Ms W and the actual delivery — enabled us to make an independent assessment of the complaint and an informed analysis of its merits.
