

ENERGY SYSTEMIC ISSUES INVESTIGATIONS – CLOSED

1 July 2016 to 30 June 2017 (in date order closed)

Scheme Participant and Issue Number	Issue	Date closed	No. of EWOV cases	No. of affected customers	Action taken to redress the issue	Regulator advised	EWOV's view of appropriate redress
SI/2016/45 Energy distributor	EWOV identified an instance of a customer who experienced a loss of supply due to a planned outage on a day of total fire ban. The customer lived in a rural area and stated that customers need access to water (using electric pumps) for consumption and firefighting (should the need arise).	1 July 2016	1	Unknown	<p>The energy distributor advised that it is reviewing its practice of deferring and cancelling planned outages with the other Victorian electricity distributors and Department of Health and Human Services (DHHS) to develop set of guidelines.</p> <p>The guidelines are non-binding but provide a framework and heat thresholds to guide decision-making about whether to proceed with planned outages. The guidelines will also act as input to the development and assessment of Bushfire Mitigation Plans.</p> <p>Statutory obligations including the relevant legislation, regulation or codes of practice take precedence over these guidelines.</p>	Yes	EWOV believes that the energy distributor has taken appropriate steps to improve the practice of planned outages on high fire risk days.

Scheme Participant and Issue Number	Issue	Date closed	No. of EWOV cases	No. of affected customers	Action taken to redress the issue	Regulator advised	EWOV's view of appropriate redress
SI/2016/6 Energy retailer	EWOV identified instances where customers raised concerns about telephone marketing and how the energy retailer obtained their personal details, the pressure sales techniques used including multiple phone calls and the potentially misleading way the energy retailer discussed their supply.	5 August 2016	48	Unknown	The energy retailer implemented various training, quality assurance, compliance and sales changes to address rogue agents and potential issues with obtaining explicit informed consent from customers.	Yes	EWOV believes that the energy retailer took appropriate steps to address the marketing issues identified.
SI/2016/29 Energy retailer	EWOV identified an instance where an energy retailer started to bill a customer for gas service to property charges after years of not having to pay them as there was no gas usage recorded on the meter.	14 October 2016	1	Unknown	The energy retailer confirmed that it changed the way it bills unknown gas customers who do not have an active gas meter/gas usage at their property. Prior to September 2015, the energy retailer did not bill these charges to unknown customers who had no gas usage recorded on their meter – unless an account was established in the customer's name. However, the energy retailer changed this billing practice and commenced billing distributor pass-through service to property charges.	Yes	EWOV believes that the energy retailer has complied with relevant laws and codes and is able to bill customers for distributor pass-through charges.

Scheme Participant and Issue Number	Issue	Date closed	No. of EWOV cases	No. of affected customers	Action taken to redress the issue	Regulator advised	EWOV's view of appropriate redress
SI/2016/31 Energy retailer	EWOV identified market contract confusion for some customers with pay-on-time discounts and concessions. The energy retailer calculated concessions assuming customers will pay on time. Problems arose if customers did not pay on time as the concession amount applied to the bill was lower than it would have been had the concession been calculated based on the total amount of the bill without the pay-on-time discount. The energy retailer applied concession amounts that were missed to subsequent bills.	20 October 2016	2	Unknown	The energy retailer confirmed that customers who do not pay by the due date receive a lower concession amount. The difference is applied to customers' subsequent bills so there is no detrimental financial impact.	Yes	The Department of Health and Human Services (DHHS) confirmed to EWOV that energy retailers are able to apply concessions and pay-on-time discounts in this manner as long as there is no overall financial detriment for customers.
SI/2015/56 Energy retailer	EWOV identified that an energy retailer's payment reminder notices did not contain the date of issue as required by clause 109 (2) (a) of the Energy Retail Code.	22 November 2016	1	7,840	The energy retailer confirmed that it sent the defective notice to 7,840 customers. It corrected the notices to avoid future issues. It applied Wrongful Disconnection Payments to all 58 affected customers who received the defective notice and were disconnected.	Yes	EWOV believes the retailer took appropriate steps to redress the issue.

Scheme Participant and Issue Number	Issue	Date closed	No. of EWOV cases	No. of affected customers	Action taken to redress the issue	Regulator advised	EWOV's view of appropriate redress
SI/2016/64 Energy distributor	EWOV identified instances of customers in specified areas of Melbourne who experienced frequent and sustained gas supply interruptions due to water entering the gas mains. Some customers experienced damage to the gas meter and/or regulator. Some customers have complained about the gas distributor's crews being unable to flush all the water with a subsequent visit by another crew required resulting in extended periods without supply.	30 November 2016	9	Unknown	<p>The energy distributor acknowledged that it was aware of some customers who had experienced frequent and sustained supply outages due to water entering the gas mains.</p> <p>The energy distributor is completing works to fix the issues by either rectifying problems with the existing network or upgrading the low-pressure mains to high-pressure mains in some areas. Eligible customers have received, or will receive, the Guaranteed Services Level payments.</p>	Yes	EWOV believes the distributor took appropriate steps to redress the issue.
SI/2016/77 Energy retailer	The energy retailer notified EWOV of an actual systemic issue where it erroneously issued letters to General Feed-in Tariff (GFiT) solar customers to advise that their feed-in tariff was ending. These letters were only meant to be sent to Standard Feed-in Tariff and Transitional Feed-in Tariff	17 January 2017	1	6,504	The energy retailer took immediate steps to notify GFiT customers – via SMS, email and letter – that the letters were sent in error. There was no adverse financial impact for customers and GFiT customers continued to receive solar credits. EWOV only received one Unassisted Referral about the matter.	Yes	EWOV believes that the retailer took appropriate steps to address this issue.

Scheme Participant and Issue Number	Issue	Date closed	No. of EWOV cases	No. of affected customers	Action taken to redress the issue	Regulator advised	EWOV's view of appropriate redress
	customers. There was an error in the energy retailer's data extract process for this mailing.						
SI/2016/58 Energy retailer	EWOV identified an instance where a customer received electricity bills for unusually short periods, for example, two weeks. One of the customer's main concerns was that she had to pay two bills close together (albeit a smaller second bill). The customer was advised by the energy retailer that the short billing period was due to a billing system correction.	19 January 2017	1	31,000	The energy retailer confirmed that the unusually short billing periods were planned and the action was undertaken to align all Victorian electricity customers with electricity distributor billing schedules. The action was taken on 19 and 24 August 2016 and only affected some electricity customers. The billing issued was correct and the short billing period issue was a once-off. Customers who complained were offered a payment extension.	Yes	EWOV believes that the retailer took appropriate steps to address this issue.
SI/2016/52 Energy retailer	EWOV identified an instance of a business customer who had their demand charges incorrectly set and billed resulting in an overcharge of about \$10,000. The energy retailer advised that the issue was related to human error.	9 March 2017	1	6	The energy retailer confirmed that there were six affected customers who were overcharged and had manual credits applied to their accounts to correct the overcharging. All other applicable business customers had demand charges suspended while the issue was investigated and fixed. The energy retailer confirmed it would not seek to recover any of the amounts incurred during its investigation. To correct the	Yes	EWOV believes that the retailer took appropriate steps to address this issue.

Scheme Participant and Issue Number	Issue	Date closed	No. of EWOV cases	No. of affected customers	Action taken to redress the issue	Regulator advised	EWOV's view of appropriate redress
					issue, all business customers were migrated to a new billing platform from 10 June 2016, limiting the scope for future human error. Since the system migration there have been no further occurrences of this issue.		
SI/2016/44 Energy retailer	EWOV identified an instance of an energy retailer issuing a non-compliant bill to a customer who was subsequently disconnected. The pay-by date on the bill only provided 12 business days, not the required 13 days as per clause 25 of the <i>Energy Retail Code</i> (for standard retail contract customers) or under the terms and conditions of a market retail contract.	9 March 2017	1	1	The energy retailer confirmed that the issue was fixed in December 2015 and only one customer was disconnected after receiving a defective bill even though the bills were sent to more than one customer. The energy retailer advised that the issue resulted from a preferred payment method system issue, which has since been corrected. The customer who was disconnected received a WDP.	Yes	EWOV believes that the retailer took appropriate steps to address this issue.
SI/2016/1 Energy retailer	EWOV identified instances of an energy retailer not applying stepped gas usage thresholds in line with tariff descriptions. It appears that the thresholds were calculated monthly yet the tariff description states that usage thresholds will be	9 March 2017	1	25,943	The energy retailer advised that a total of \$20,591 was refunded to customers who were overcharged. To prevent the issue from recurring, customers' accounts will be migrated to a different billing platform. Once this occurs, the energy retailer will complete a final check to confirm if any further refunds are required.	Yes	EWOV believes that the retailer took appropriate steps to address this issue.

Scheme Participant and Issue Number	Issue	Date closed	No. of EWOV cases	No. of affected customers	Action taken to redress the issue	Regulator advised	EWOV's view of appropriate redress
	stepped in accordance with the billing cycle, which is quarterly. The issue affected some concession card holders.						
SI/2016/39 Energy retailer	<p>EWOV identified multiple instances of customers who experienced:</p> <ul style="list-style-type: none"> • misleading and deceptive marketing • pressure sales • transfers without consent • difficulty cooling off • door-to-door marketing despite having a Do Not Knock sticker. 	16 March 2017	About 150	Unknown	<p>The energy retailer reported four type 1 compliance breaches to the ESC in August and November 2016.</p> <p>One sales channel was permanently terminated for residential sales, while another was suspended. Several sales agents were investigated and terminated. The energy retailer implemented new reporting and intelligence to better identify agents who do not comply with its policies and/or <i>Australian Consumer Law</i>. A new sales incentive system was implemented to reduce complaints.</p> <p>All marketing and transfer without consent complaints are now referred to the National Compliance Manager for root cause investigation.</p> <p>Customers who complained were retrospectively transferred back to their preferred retailer without cost.</p>	Yes	EWOV believes that the retailer took appropriate steps to address this issue.

Scheme Participant and Issue Number	Issue	Date closed	No. of EWOV cases	No. of affected customers	Action taken to redress the issue	Regulator advised	EWOV's view of appropriate redress
SI/2016/51 Energy retailer	EWOV identified instances of customers receiving correspondence from an energy retailer to advise that their tariff would be increasing from 1 July 2016 as they had been billed incorrectly because they lived on the border of two electricity distribution networks. Earlier, they had received correspondence advising that their tariff would decrease.	16 March 2017	2	6,186	The energy retailer confirmed that the issue stemmed from a billing migration issue. The issue was fixed in late 2014 by matching the distributors listed in national database (MSATS) with the energy retailer's billing system and network tariff allocations. Customers who were charged less than the applicable rate were not backbilled and had the total amount written off. Customers who were charged more were refunded in line with the <i>Energy Retail Code</i> .	Yes	EWOV believes that the retailer took appropriate steps to address this issue.
SI/2016/69 Energy retailer	EWOV identified instances where solar customers had inaccurate electricity consumption and export index reads on their bills.	16 March 2017	2	8,600	The energy retailer acknowledged the issue affected approximately 8,600 solar customers. It confirmed that it is implementing a system fix by the end of March 2017. There was no detrimental financial impact for customers and the amount of kWhs billed was correct. The system fix will make solar customers' bills compliant with the <i>Energy Retail Code</i> .	Yes	EWOV believes that the retailer took appropriate steps to address this issue.
SI/2016/62 Energy retailer	EWOV identified instances of customers - who appear to mainly be 'unknown energy consumers' - who had their gas supply disconnected from the street and	17 March 2017	5	Unknown	The energy retailer acknowledged that there were remediation activities for gas 'Dear Occupier' accounts that resulted in more street disconnections due to no meter access. There was also backbilling but the energy retailer advised that this	Yes	EWOV believes that the retailer took appropriate steps to address this issue.

Scheme Participant and Issue Number	Issue	Date closed	No. of EWOV cases	No. of affected customers	Action taken to redress the issue	Regulator advised	EWOV's view of appropriate redress
	therefore required 'shipper' reconnections and longer than normal timeframes to have supply restored.				was completed in line with the <i>Energy Retail Code</i> except for one customer whose account was overcharged due to a human error. This was corrected and the customer was credited over \$1,000 to correct the backbilling.		
SI/2016/46 Energy retailer	EWOV identified an instance where a customer did not appear to have the full Annual Electricity Concession (AEC) applied to their bill.	17 March 2017	1	Unknown	The energy retailer confirmed that it was calculating the AEC correctly. EWOV obtained advice from the Department of Health and Human Services (DHHS) about the energy retailer's calculation. DHHS confirmed that the calculation was correct, albeit slightly less than what the customer was fully entitled to due to pay-on-time discounts. However, as noted in SI/2016/31, the customer ends up getting the full concession amount when the next bill is issued. DHHS advised that technically energy retailers can bill and calculate concessions in this manner, as long as customers receive a wash-up of all of the concession amounts they were entitled to so there is no detrimental financial impact.	Yes	EWOV believes that the retailer took appropriate steps to address this issue.
SI/2016/57 Energy Retailer	EWOV identified an instance where a customer on a payment plan missed out on	7 April 2017	1	2,728	The energy retailer fixed its billing system, refunded overcharged customers and sent letters to advise	Yes	EWOV believes that the retailer took appropriate steps to

Scheme Participant and Issue Number	Issue	Date closed	No. of EWOV cases	No. of affected customers	Action taken to redress the issue	Regulator advised	EWOV's view of appropriate redress
	a small amount of their pay-on-time discount due to the dates that some bills were generated.				them of the overcharge.		redress the issue.
SI/2016/23 Energy Retailer	EWOV identified an instance where a customer entered a new contract with an energy retailer and the discounts and plan names were not displaying correctly on the bills.	15 May 2017	2	Unknown	The energy retailer raised a request to have its billing system fixed within three months so that discounts display correctly on bills, even when customers change to a new plan mid-way through an existing contract.	Yes	EWOV believes that the retailer took appropriate steps to redress the issue.
SI 2015/38 Energy Retailer	EWOV identified instances where an energy retailer issued billing to customers that did not include a pay by date. These arrears proceeded to disconnection notices and then disconnection of supply, which has resulted in Wrongful Disconnection Payments.	26 May 2017	4	495	The energy retailer entered into a remediation plan with the Essential Services Commission.	Yes	EWOV believes that the retailer took appropriate steps to redress the issue.
SI/2016/67 Energy retailer	EWOV identified an instance where a standard retail contract customer received bills with only 12 business days to pay, not 13 business days as required by Clause 26(1) of the Energy Retail	26 May 2017	1	3	The energy retailer entered into a remediation plan with the Essential Services Commission. The energy retailer fixed the issue on 12 October 2016.	Yes	EWOV believes that the retailer took appropriate steps to redress the issue.

Scheme Participant and Issue Number	Issue	Date closed	No. of EWOV cases	No. of affected customers	Action taken to redress the issue	Regulator advised	EWOV's view of appropriate redress
	Code.						
SI/2017/6 Energy retailer	EWOV identified an instance where Dear Occupier bills had what appeared to be generic meter numbers that did not correspond with the customer's actual meter numbers.	5 June 2017	1	74,955	A billing system fix was implemented on 21 April 2017 to resolve the issue. The energy retailer reported the issue to the ESC in its six-monthly compliance report.	Yes	EWOV believes that the retailer took appropriate steps to redress the issue.
SI/2017/15 Energy retailer	EWOV identified instances of an energy retailer issuing non-compliant reminder notices because the notices did not contain a due date. To comply with the requirements of the <i>Energy Retail Code</i> , the reminder notices need a due date.	8 June 2017	4	22	The energy retailer implemented a system fix to address the issue. The energy retailer self-reported the issue to the ESC and paid WDPs to the 22 disconnected customers and contacted them (by phone, letter and site visit when phone contact could not be made) to advise of the incorrect disconnections. To help prevent similar future issues, the energy retailer has created a daily report to confirm that all reminder and disconnection notices have a due date.	Yes	EWOV believes that the retailer took appropriate steps to redress the issue.
SI/2016/12 Energy retailer	EWOV identified instances where customers raised concerns about being offered discounts by a third-party marketer that are not available to gas customers in that geographic area. Also,	13 June 2017	4	Unknown	The energy retailer has sent updated rates information to its third-party rate comparator companies to ensure that customers in non-contestable gas regions are not marketed gas contracts when the energy retailer cannot win the billing rights/does not have a commercial	Yes	EWOV believes that the retailer took appropriate steps to redress the issue.

Scheme Participant and Issue Number	Issue	Date closed	No. of EWOV cases	No. of affected customers	Action taken to redress the issue	Regulator advised	EWOV's view of appropriate redress
	customers advised they were misled by the third-party marketer.				arrangement in place. The third-party marketer was audited and no findings 'of significance' were found. The third-party marketer's website has been updated to remove reference to gas offers for customers who live in non-contestable areas.		
SI/2017/18 Energy distributor	EWOV identified an instance of a customer who experienced an off-supply event resulting from an old de-energisation service order.	18 June 2017	1	134	The energy distributor advised that this was an unplanned outage event triggered by a one-off fault affecting its Network Management System, which has since been resolved. The energy distributor changed its exception processes so that failed de-energisation and energisation requests are double checked prior to being re-processed. This will help avoid the issue in the future. No customers reported appliance damage or loss as a result of the outage. Impacted customers have been included in the unplanned interruption GSL payment calculation.	Yes	EWOV believes that the distributor took appropriate steps to redress the issue.

