



UNAUTHORISED ELECTRICITY VOLTAGE VARIATION AND CLAIMS

Information for Victorian electricity customers

This fact sheet explains unauthorised voltage variation and the claims process.

What is unauthorised voltage variation?

An unauthorised voltage variation occurs when electricity supplied to a property is outside the voltage limits allowed under the [Electricity Distribution Code](#).

Unauthorised voltage variation can cause damage to equipment and appliances. The most common type is a power surge while other voltage variations can include low voltage or "brownouts".

Power surges are often caused by lightning, vehicles hitting power poles, or other objects, such as tree branches, birds or animals interfering with overhead electrical wires.

Generally speaking, if a customer's property is damaged as a result of an unauthorised voltage variation, a distributor is expected to compensate that person. Some of the rules about compensation following an unauthorised voltage variation are set out in [Electricity Industry Guideline No. 11 – Voltage Variation Compensation \(Guideline\)](#).

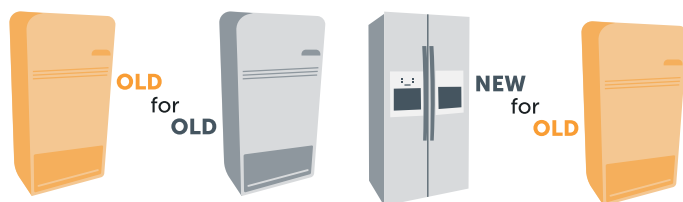
The claims process

- Make a claim for damage or loss to appliances or equipment with your distributor.
- Customers need to submit a completed claim form and provide all of the information and evidence requested.
- Customers usually have to prove the loss or damage has taken place, and show the link between the loss or damage and the distributor.
- Customers need to keep damaged appliances/equipment, receipts, photos and relevant documentation until the claims process has been completed.
- Distributors can request evidence that the damage to the property was caused by an electrical event.

- Customers may need to have their items inspected by a technical expert, and obtain a report that shows that the damage is consistent with voltage variation. This report becomes evidence that an incident occurred.
- Distributors also have the right to arrange inspections of the property to confirm the damage

"Old-for-old", not "new-for-old" - why insurance can be better

If any compensation is paid, this will be "old-for-old" (usually the current market value) rather than the full replacement cost for new appliances or equipment. For a guide to an item's value, second-hand stores or eBay are often referenced. Distributors also have the right to have items repaired, and will sometimes choose this option if it is cost-effective. Amounts paid by distributors for claimed items are usually lower than the replacement cost for a new item, so EWOV may suggest that customers try and claim against their insurance policies if this results in "new-for-old" replacement payments.



Food loss

Quite often a power surge is followed by an electricity supply outage while the distributor repairs the damaged infrastructure. Outages can last a long time. Generally, spoilt food will only be considered payable under the *Guideline* if the appliance storing the food is damaged as a result of the power surge. You should keep records or proof of the food items lost (such as photos, itemised lists and receipts), before you throw anything away. Distributors do not automatically have to compensate for food loss resulting from an outage.



What's not payable under the Guideline

A distributor doesn't have to pay compensation under the *Guideline* if:

- your business consumes over 160 megawatt hours in a year
- the loss or damage isn't directly related to the power surge (such as loss of profits, or food loss if your fridge wasn't damaged)
- you have already claimed the items through insurance or have started court proceedings
- you have not taken reasonable precautions to minimise the risk of loss or damage to your business.

While the above list may exclude the claim under the *Guideline*, you still may have a valid claim under other laws.

EWOV investigations including a claim

EWOV will investigate each claim on its individual merit and the outcome will depend on the circumstances of the case.

Customers will need to provide EWOV with information and documentation to support the claim. EWOV will also obtain information about the claims process and the unauthorised voltage variation events from the distributor.

Power outages

While EWOV understands that power outages can be inconvenient, they are not an event that usually attracts compensation as continuous supply of electricity is not guaranteed. Damage to network infrastructure can often be substantial, and repair work can take time, and sometimes it may take days to restore power to everyone affected. Sometimes a network or supply fault can go undetected until a report is made by customers.

Customers are expected to minimise their own losses following outages, especially when located in a rural area, an area affected by frequent outages or when absences from the property are planned.

In Victoria, Guaranteed Service Level (GSL) payments apply to customers who experience frequent sustained or intermittent supply interruptions. GSLs are passed from your distributor to your retailer and applied to your bill (usually the first bill for the calendar year). The Essential Services Commission has more information:

<http://ow.ly/ZStWh>

Victorian electricity distributors

There are five electricity distributors in Victoria: AusNet Services, CitiPower, Jemena, Powercor and United Energy. If you are not sure which is your electricity distributor, you can find this information on your bill or by searching your address on this Victorian Government website: <https://bit.ly/2tfDtW1>

Business mitigation – reasonable precautions

Business customers need to take reasonable precautions to minimise the risk of loss or damage arising from power surges and other electrical quality issues. This is outlined in the [Electricity Distribution Code](#) and the *Guideline*. Reasonable precautions required will vary depending on the nature and size of a business, its equipment, and how reliant it is on electricity.

Generally, a business may be able to demonstrate that it has taken reasonable precautions by:

- having appropriate insurance
- implementing mitigation strategies to limit the amount of damage or loss
- having surge protection devices installed
- having phase failure relay devices installed
- regular back-ups of computer systems
- uninterruptible power supply installed and in some cases, the installation of a back-up generator may be appropriate.

Checklist

Don't know where to start? This checklist may help.

Talking to your distributor:

- Talk to your electricity distributor (not your retailer) about voltage/power surge damage and claims.
- If you have experienced damage, ask for a claim form and provide all documentary evidence about the event and loss.

Contacting EWOV:

- If you can't sort out the problem with your electricity distributor directly, contact EWOV for assistance.
- Have **all your details ready**, including information about your contact with the distributor, claim information and documentary evidence including photos, receipts and any other notes.