



Res ONLINE



ENERGY AND WATER
OMBUDSMAN
Victoria **Listen Assist Resolve**

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THE OMBUDSMAN'S VIEW

A quarterly fall in cases, with a watch on some issues

In the October to December 2018 quarter, EWOV cases fell across the board against the July to September 2018 quarter — down 13% overall, down 12% in electricity, down 15% in natural gas, down 13% in LPG, and down 17% in water. Notwithstanding that positive development, we're closely watching a couple of issues.

One of those issues is whether customers are being sufficiently informed about payment plans before facing disconnection of their energy supply. Disconnection of supply is a last resort, but an energy retailer may disconnect in certain circumstances. If the retailer doesn't follow the required procedures, the customer may be eligible for a wrongful disconnection payment (WDP). Where a complaint to EWOV involves disconnection of supply, it's our role to assess whether the disconnection was wrongful. In the October to December quarter, we finalised 268 WDP assessments. In over 50% of these assessments, we found that the required payment plans weren't offered, or information about the availability of a payment plan wasn't provided. With payment assistance a particular focus of Victoria's new 'Payment Difficulty Framework' (in effect since 1 January 2019), we expect that retailers will be reviewing their processes to ensure customers are being offered all appropriate assistance. [More here](#)

Another 'on watch' issue has emerged from provision cases, where customers have complained about voltage variation affecting their solar system. Complaints include the solar inverter dropping out, falls in solar credits, and damage to the solar inverter from power surge. So far there is no clear driver for the increase, but it has been suggested that possible causes include how distribution network flows are managed and the potential effect of more solar installations. [More here](#)

Other case studies in this issue

- [Gas retailer couldn't send an amended bill \(billing\)](#)
- [Customer distressed by misdirected notices \(credit\)](#)
- [Delays in addressing transformer noise \(provision\)](#)

Affordability Report

The next issue of EWOV's *Affordability Report* will be released in March 2019.



Cynthia Gebert

Energy and Water Ombudsman (Victoria)



Cynthia Gebert
Energy and Water Ombudsman (Victoria)

If you have any feedback about *Res Online*, please contact Janine Rayner, EWOV's Communications and Policy Manager at: janine.rayner@ewov.com.au

THE BIG PICTURE

OCTOBER - DECEMBER 2018

Compared to last quarter:

CASES
▼ 13%

ENQUIRIES
▼ 21%

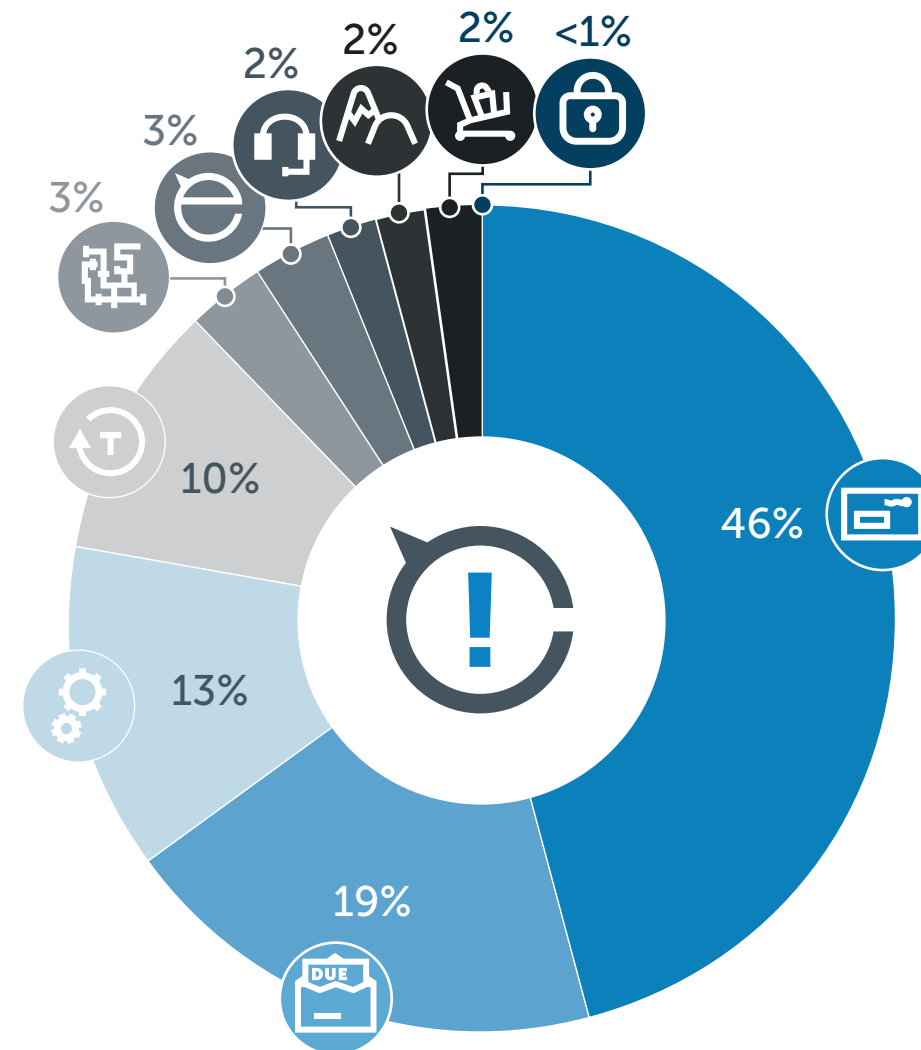
UNASSISTED REFERRALS
▼ 23%

ASSISTED REFERRALS
▼ 12%

INVESTIGATIONS
▼ 5%



The issues customers complained about



Compared to last quarter:

BILLING
3,920 cases
▼ 11%

CREDIT
1,587 cases
▼ 12%

PROVISION
1,104 cases
▼ 12%

TRANSFER
837 cases
▼ 25%

SUPPLY
285 cases
▼ 7%

GENERAL ENQUIRY
228 cases
▼ 26%

CUSTOMER SERVICE
178 cases
▲ 20%

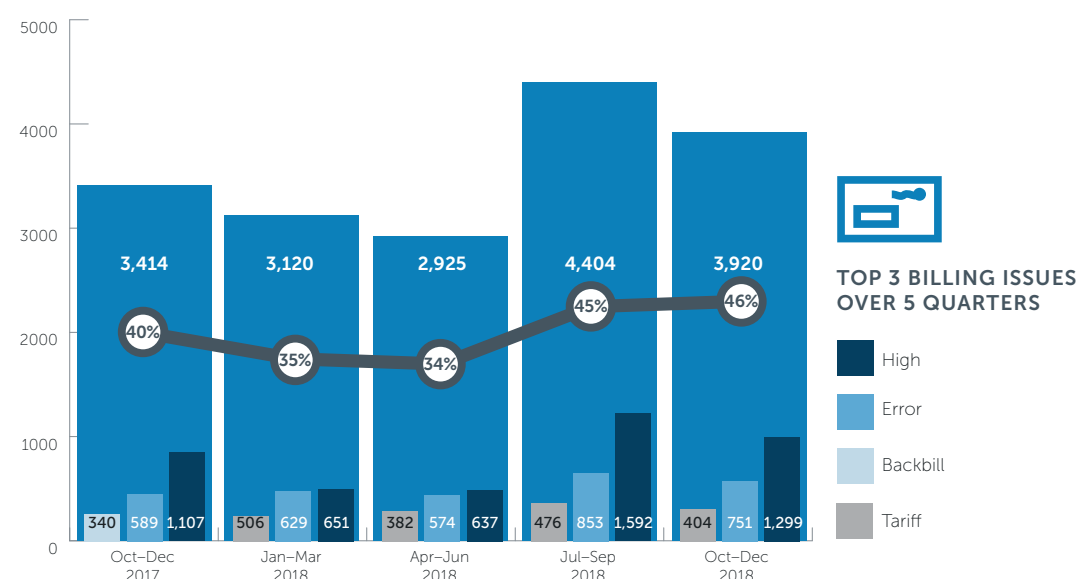
LAND
171 cases
▼ 4%

MARKETING
163 cases
▼ 26%

PRIVACY*
30 cases
▼ 29%

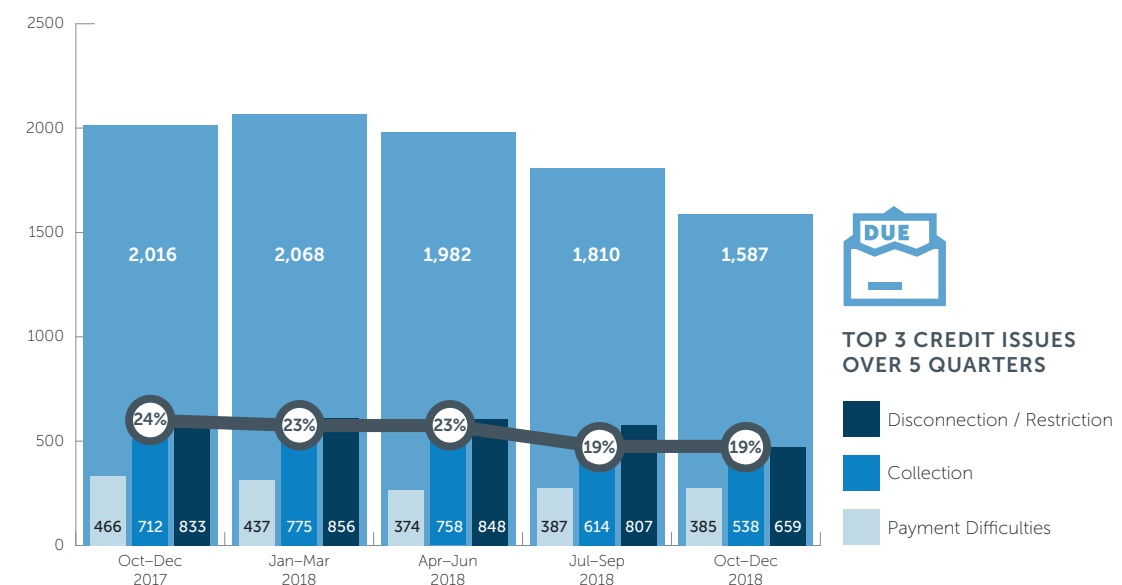
Billing cases

Number of Billing cases % of overall cases



Credit cases

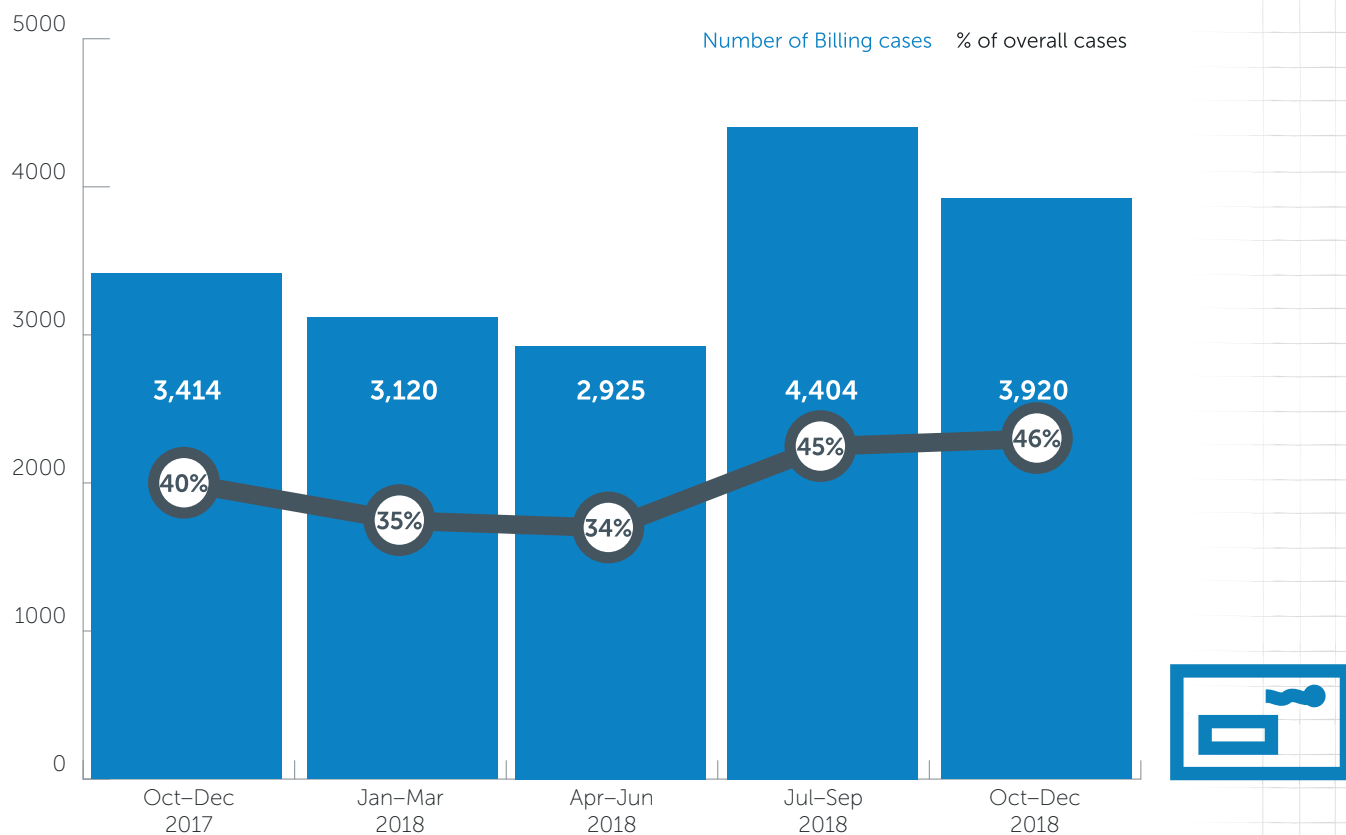
Number of Credit cases % of overall cases



* Privacy is now a standalone high-level issues category. The main privacy sub-issues are 'details released', 'details requested by provider', 'details obtained without consent' and 'disclosure refused by provider'.

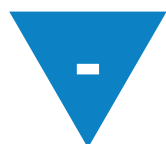
BILLING

FIGURE 1
Billing cases



COMPARED TO
LAST QUARTER

BILLING CASES



11%



COMPARED TO
THIS TIME LAST YEAR

BILLING CASES



15%

On issues watch: Gas billing cases

In the October to December 2018 quarter, EWOV received 1,545 gas billing cases overall (natural gas and LPG) – down 8% against gas billing cases for the July to September 2018 quarter.

Continuing our watch on natural gas billing issues – over the last quarter, high bill cases fell 17%, billing error cases fell 17%, backbill cases were up 45%, and billing estimation cases were up 14%.



Billing Case Study: Gas retailer couldn't send an amended bill

New rates offered and accepted; billed on old rates; lack of response to requests

Case number: 2018/23959

Even though Mr Y signed up to new gas rates in early August 2018, his next bill was based on the old rates. He'd asked his gas retailer for an amended bill, but hadn't heard back.

When Mr Y contacted EWOV in mid-September 2018, we registered his complaint as an Assisted Referral. When he recontacted EWOV a few days later, dissatisfied with the information provided by his retailer, we opened an Investigation.

Responding to EWOV's Investigation, the retailer said that, mistakenly, Mr Y had been quoted rates that didn't include GST. It couldn't send him an amended bill, because the rate he was quoted didn't exist in its billing system. We confirmed the rates and the agreement, and checked the billing Mr Y was questioning.

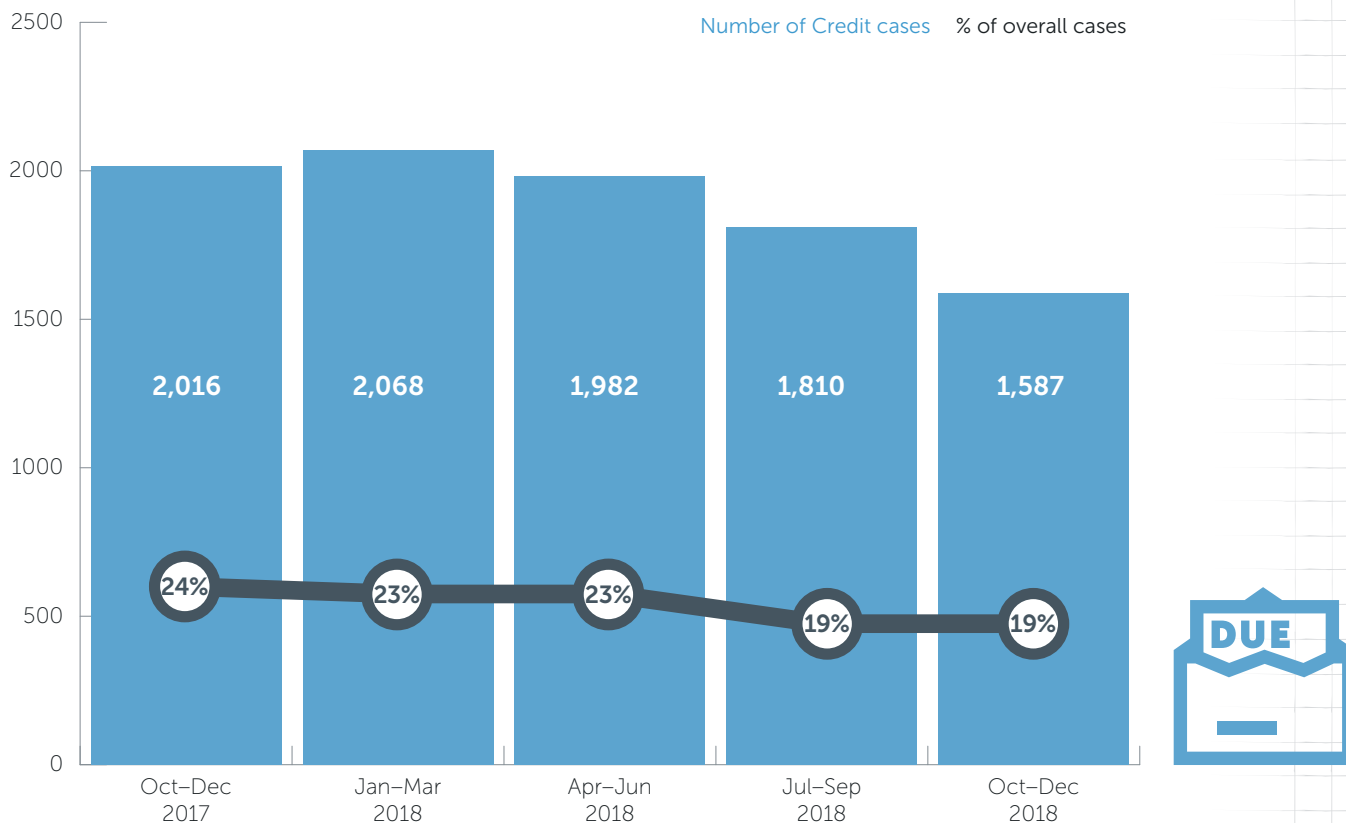
The retailer said it had addressed the quoting error with its staff. It offered to apply the difference of \$70 to Mr Y's account as a billing adjustment. It apologised for the error and for not responding to Mr Y's concerns sooner, and provided an additional account credit of \$50 for the inconvenience caused. Mr Y was satisfied with this outcome. The complaint was closed.

EWOV is considering the quoting of rates without GST as a potential systemic issue.

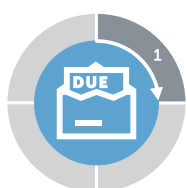
"... mistakenly, Mr Y had been quoted rates that didn't include GST."

CREDIT

FIGURE 2
Credit cases

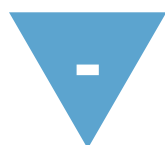


Note: The disconnection data in this report does not include LPG Deliveries Stopped cases.

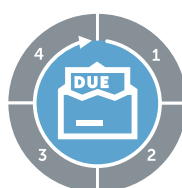


COMPARED TO
LAST QUARTER

CREDIT CASES

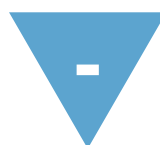


12%



COMPARED TO
THIS TIME LAST YEAR

CREDIT CASES



21%



Credit Case Study: Debt collection - customer distressed by misdirected notices

Debt collection; potential disconnection and credit default listing

Case numbers: 2018/25205

Ms A was receiving electricity bills addressed 'to the occupier'. She believed they were intended for another resident in her townhouse complex. Ms A said she'd phoned and written to the retailer issuing the notices, without response. She said she was now receiving collection notices. Despite several attempts, she couldn't get an explanation or a resolution.

We registered Ms A's complaint as an Assisted Referral and facilitated contact with her by a higher-level contact within the electricity retailer. Ms A returned to EWOV saying the retailer's response was that it couldn't discuss the matter with her for privacy reasons. She was also worried about ending up with a credit default listing against her name. We opened an Investigation.

Responding to EWOV's Investigation, the retailer advised that it hadn't initiated any collection activity against Ms A. It confirmed that the bills and notices related to another townhouse on the site. The retailer offered Ms A \$100 for the inconvenience caused.

We searched the Market Settlement and Transfer Solutions (MSAT) database and confirmed that the bills weren't for Ms A's property. The retailer reassessed its offer, increasing it to \$350. It provided Ms A with a written apology and an explanation for its error in sending the bills to her home.

Ms A was satisfied with this outcome. The complaint was closed.

"Ms A returned to EWOV dissatisfied that the retailer's response was that it couldn't discuss the matter with her for privacy reasons."

On issues watch: Wrongful disconnection of electricity and gas

A Wrongful Disconnection Payment (WDP) is payable if an energy retailer hasn't complied with the terms and conditions of its contract with the customer, and the requirements of the *Energy Retail Code*, before disconnecting electricity or gas supply. The payment is currently \$500 a day (or part thereof), capped at \$3,500 if the customer doesn't make contact with the retailer within 14 days. Where a customer complains about an actual disconnection, EWOV makes a separate assessment of whether a WDP is payable. Where the retailer and EWOV can't agree on an outcome, we request a formal decision from the Essential Services Commission.

In the October to December quarter, EWOV opened 162 WDP assessments.

90 (56%) were for electricity disconnection and 72 (44%) were for gas disconnection.

In the October to December quarter, EWOV finalised 268 WDP assessments.*

*Some of the WDP assessments finalised in the October to December quarter were opened in previous quarters.

149 (56%) were for electricity disconnection and 119 (44%) were for gas disconnection.

145 of finalised WDP assessments resulted in a payment. 61% of payments were under \$1,000 and 39% were over \$1,000. The largest was \$50,915.79.

54% of finalised WDP assessments related to payment plans — either not offered or information not provided.

A further 6% related to multiple breaches, generally involving affordability issues and possibly also payment plans. 12% related to non-compliant notices, for example, the retailer didn't adhere to the required timeframes, or didn't issue the required notices.

There were also five WDP decisions from the Essential Services Commission (ESC).

Three were about payment plans (two payable; one not payable), one was about warning notice (not payable) and one was about resolving the customer's complaint before disconnection (not payable). These (and other) WDP decisions are on the [ESC website](#).

On 1 January 2019, a new 'Payment Difficulty Framework' came into effect in Victoria.

This [new regulatory framework](#) introduces significant changes to energy retailer obligations and the process retailers must follow before disconnection of the electricity or gas of customers experiencing affordability issues. The type of assistance a customer must be offered is now based on how much the customer owes — whether the debt is under \$55, or \$55 or more. With payment plans the most common reason for WDPs in the October to December 2018 quarter, EWOV will be closely monitoring how retailers respond to their changed obligations under the new framework.

[EWOV's Energy Payment Difficulties fact sheet explains](#).



Case study 2: Wrongful disconnection payment - retailer's WDP obligations stand, despite customer's lack of engagement

History of payment plans and non-payment; customer drops out of EWOV's Investigation process

Case number: 2018/26091 and WDP/2018/866

Mr R said his electricity was disconnected in mid-October 2018 without notice, and his electricity retailer wanted the arrears paid in full before it would reconnect. Mr R asked that the retailer consider a payment plan of \$450 a fortnight. In line with EWOV's Reconnection/Derestriction Policy, we arranged for Mr R's electricity to be reconnected, and we opened an Investigation.

Responding to EWOV's Investigation, the retailer said that this was the fourth time Mr R's electricity had been disconnected for non-payment. It said that, since 2015, it had provided Mr R with hardship assistance in the form of payment arrangements, all of which he had broken. It said that Mr R was sent three sets of Utility Relief Grant forms in 2018, but no completed forms had been received back from him. The retailer said it had also applied \$109.36 in missed concessions (from January to October 2018) as a goodwill gesture, even though Mr R had not provided an updated concession card (since it had expired).

As part of EWOV's Investigation, we reviewed Mr R's usage data, billing, payment plans, and the retailer's notes of its contacts with him. We confirmed the previous supply disconnections for non-payment, and that the retailer had offered payment arrangements that weren't met, including three broken hardship payment plans during 2018. Most recently (in August 2018) the retailer and Mr R had agreed on a \$50 a week plan, for which no payment was received. We confirmed that Mr R had been sent three Utility Relief Grant forms in 2018, none of which had been submitted to the Department of Health and Human Services. We also confirmed the account credit of \$109.36.

Mr R owed \$3,361.77 for billing to early October 2018. His last payment was \$50 in December 2015.

The retailer offered him a new tariff, which increased his '15% off consumption' to '45% off consumption' if he paid his future bills on time. It provided a direct contact for him to discuss the offer.

The retailer maintained that Mr R wasn't entitled to a wrongful disconnection payment (WDP), because it had sent him the required notification, offered payment assistance (via four payment plans in the 12 months prior to disconnection) and he had made contact only after his supply was disconnected.

In line with EWOV's policy, we attempted to contact Mr R to arrange part-payment of his arrears and convey the retailer's response to our Investigation of his complaint. When Mr R didn't respond to our attempts to contact him, we closed EWOV's Investigation of his complaint on the basis of his non-participation.

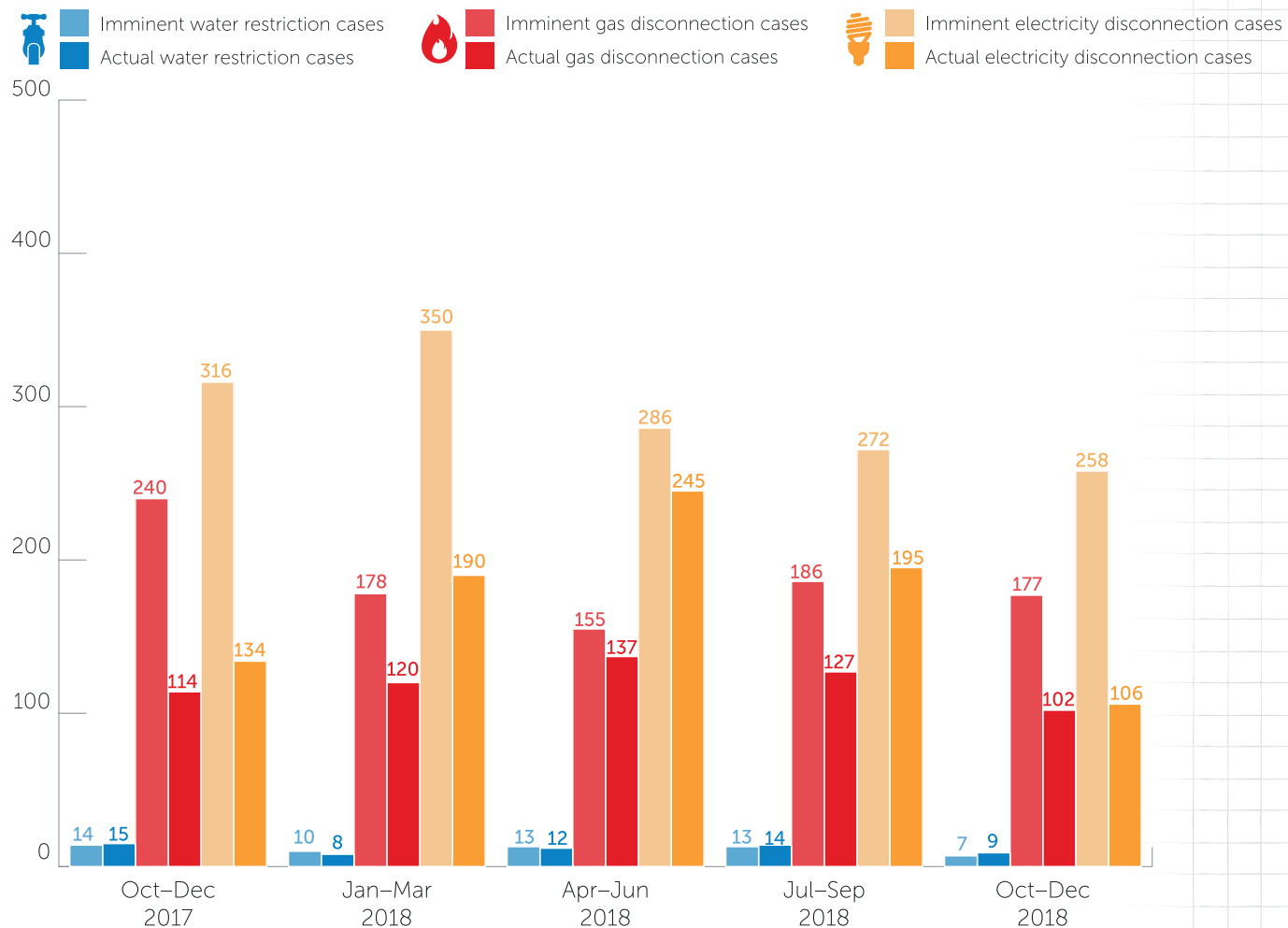
"Most recently (in August 2018) the retailer and Mr R had agreed on a \$50 a week plan, for which no payment was received."

Even though we closed the complaint, we completed EWOV's separate assessment of whether the latest disconnection of Mr R's electricity was wrongful. We found that the retailer could substantiate that one payment plan had been correctly established, but not any others. The retailer reviewed its records of compliance and agreed that, because of this, a WDP was applicable.

Because Mr R was off supply for seven days, eight hours and 15 minutes, he was entitled to a WDP of \$3,671.88. This was applied to his electricity arrears, leaving his account \$310.11 in credit.

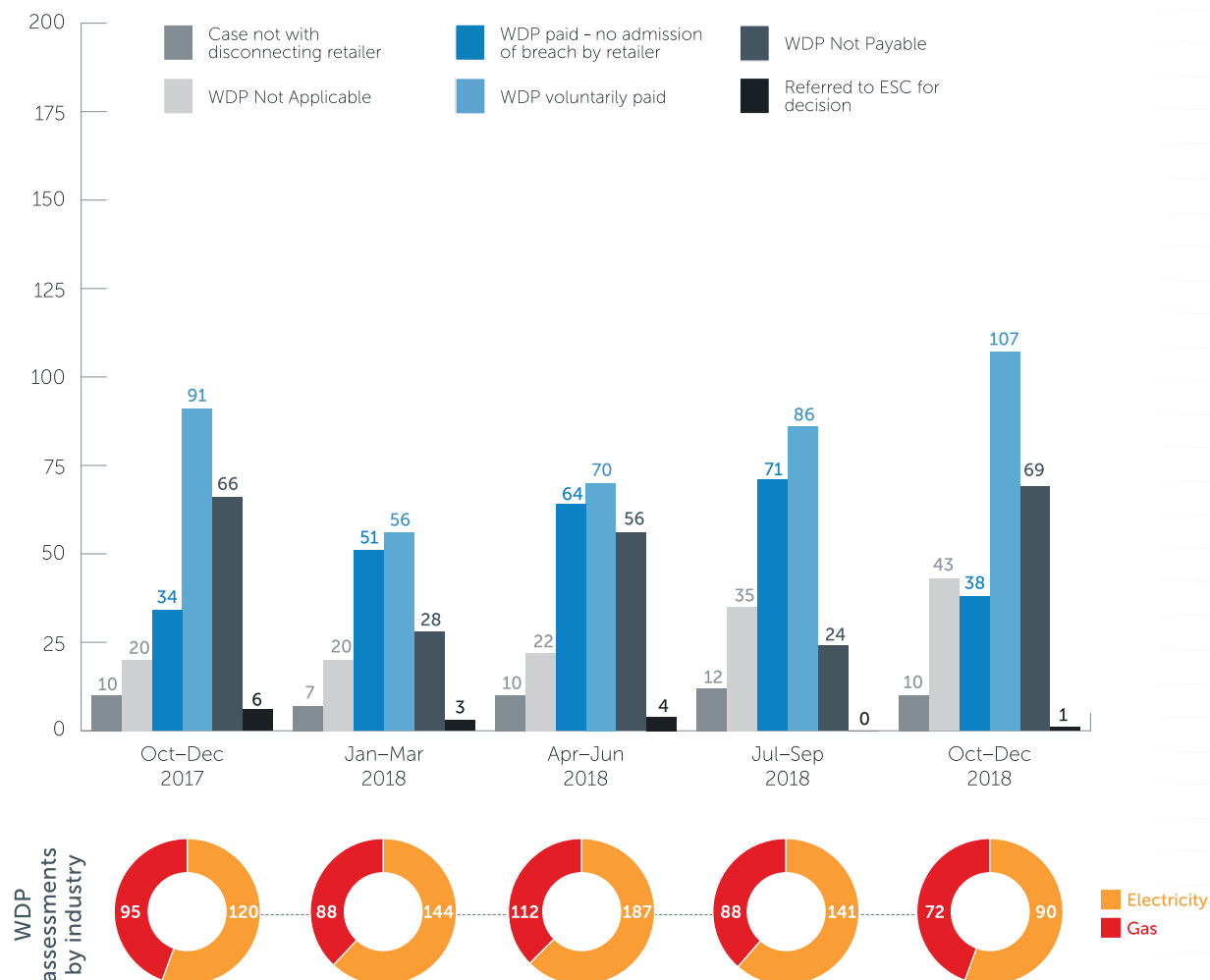
FIGURE 3

Credit-related disconnection and restriction cases



Note: The disconnection data in this report does not include LPG Deliveries Stopped cases.

FIGURE 4
WDP outcomes

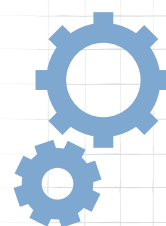
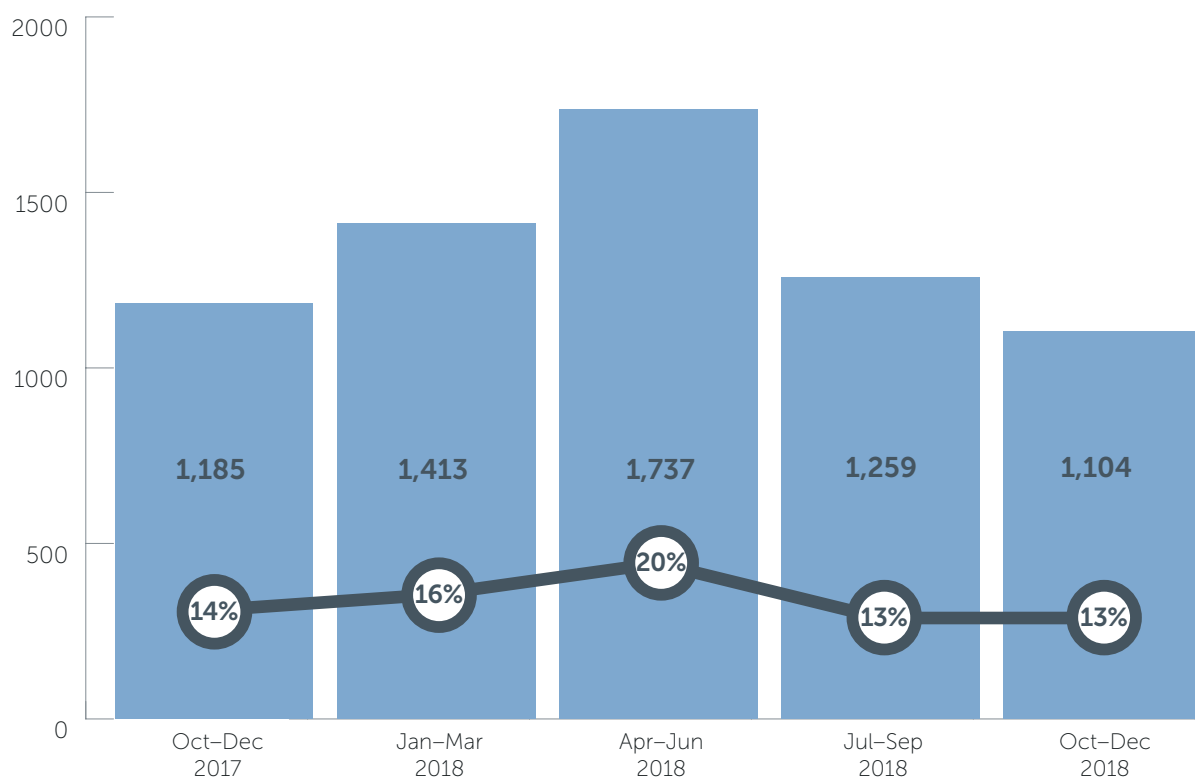


PROVISION

FIGURE 5

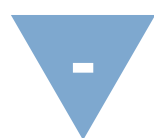
Provision cases

Number of Provision cases % of overall cases



COMPARED TO
LAST QUARTER

PROVISION CASES

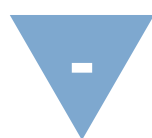


12%



COMPARED TO
THIS TIME LAST YEAR

PROVISION CASES



7%



Provision Case Study: Delays in addressing transformer noise

Poor communication; no rectification timeline

Case number: 2018/10443

Mr P was unhappy with the level of noise coming from an electricity distributor's substation, located some 200 metres from his home. When he contacted the distributor in early February 2018, he was told that it was aware of the problem and noise testing would be undertaken. Mr P was frustrated that the results of the noise testing still hadn't come through over three months later.

We registered Mr P's complaint as an Assisted Referral and facilitated contact with him by a higher-level contact within the electricity distributor. Mr P returned to EWOV, dissatisfied with the lack of progress on resolving the problem. He said the distributor told him the transformer would be insulated, but it gave no indication of when this would be done. We opened an Investigation.

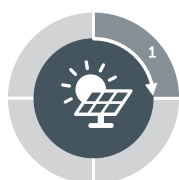
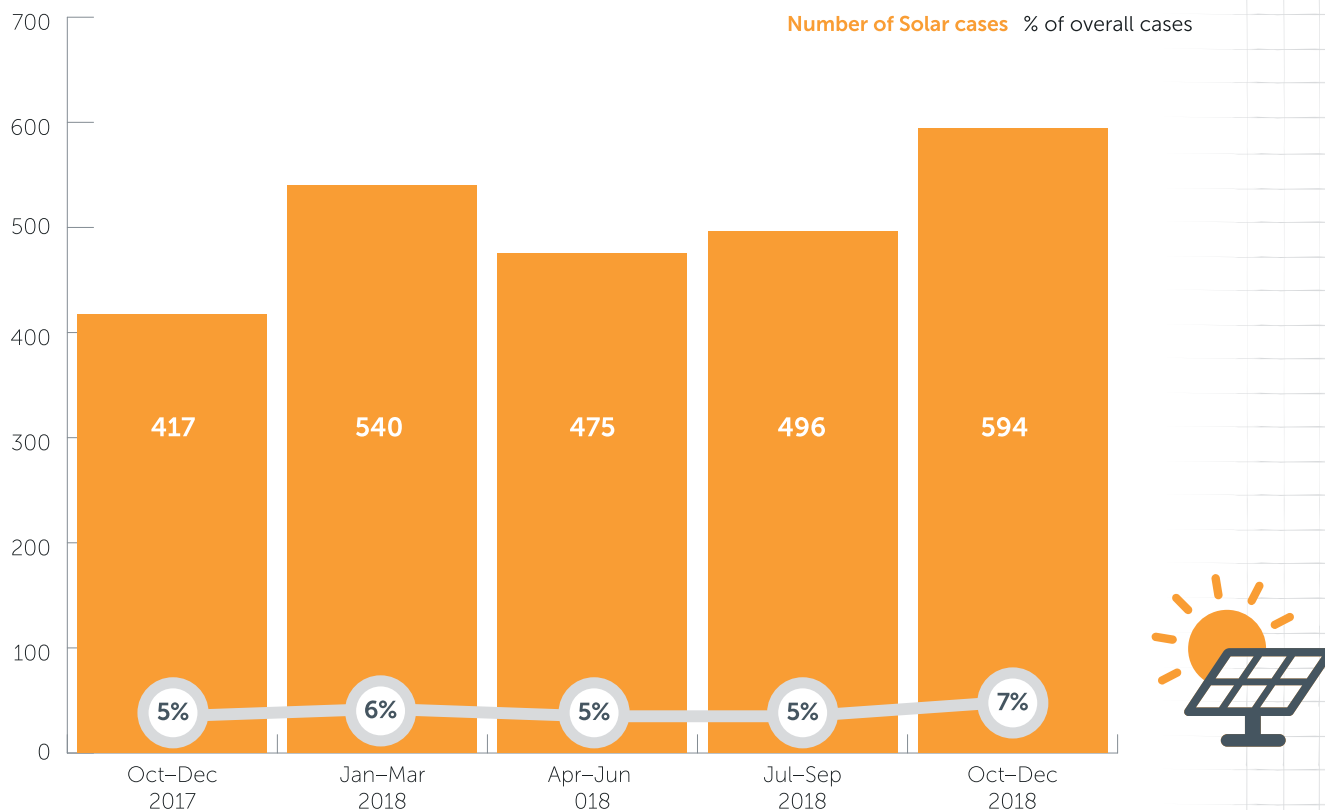
Responding to EWOV's Investigation, the distributor advised that this kind of work involved several departments, each responsible for a different aspect of the work. It said this had complicated communications with Mr P. As part of EWOV's Investigation, we required that the distributor include communication with Mr P in its process, especially around any anticipated delays or changes to what was agreed. The distributor provided a timeline for the works and undertook to contact Mr P when they were complete.

Mr P was satisfied with the outcome. The complaint was closed.

"Mr P was frustrated that the results of the noise testing still hadn't come through over three months later."

SOLAR

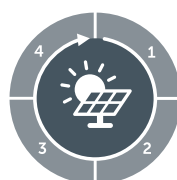
FIGURE 6
Solar cases



COMPARED TO
LAST QUARTER
SOLAR CASES



20%



COMPARED TO
THIS TIME LAST YEAR
SOLAR CASES



42%

Solar cases

Trends

In the October to December 2018 quarter, EWOV received 594 solar cases.

This was 20% more than in the July to September 2018 quarter (496), and 42% more than in the October to December 2017 quarter (417).

Solar customers most commonly complained about provision at an existing connection and tariffs.

- Cases about provision at an existing connection (190) were up 62% from the July to September 2018 quarter (117) and up 32% from the October to December 2017 quarter (144).
- Cases about tariffs (125) were down 6% from the July to September 2018 quarter (133) and up 18% from the October to December 2017 quarter (106).

Customers also complained about loss of supply after high voltage caused the solar inverter to trip.

We received 24 solar cases about supply variation. Cases were up 243% from the July to September 2018 quarter (7) and up 100% from the October to December 2017 quarter (12). They involved four electricity distributors, and were received from regional, rural and inner Melbourne locations.

- A customer's solar inverter was dropping out — his electrician said it was due to too much power being sent into the system from the distribution network — his electricity distributor said it was taking steps to fix the issue — the customer wanted a timeframe. 2018/29265
- A customer said his inverter had been damaged after a power surge — he wanted the electricity distributor to replace it, but his claim had been denied. 2018/30609
- A customer noticed a fall in his solar credits after too much voltage from the grid. He said that his solar system previously generated 30kW on some days, but now generates 6kW. He said his system also shuts down intermittently when there's too much voltage. 2018/26811
- Customers also raised issues of appliance damage and multiple outages on the same day.

There was no clear driver for the increase in solar complaints related to supply variation. Possible causes include management of distribution network flows, over-supply of solar panels, and completed works affecting a distribution network.

Embedded network cases

Trends

EWOV has been dealing with embedded network cases since 1 July 2018. A list of embedded network entities, which are now EWOV scheme participants, is on our website [here](#).

We registered 106 embedded network cases in the October to December 2018 quarter, down 15% against the July to September quarter (124).

In line with trends for licensed electricity retailers, billing was the most common issue raised by embedded network customers. The 61 billing cases included 25 about high bills, 10 about billing errors and 10 about tariffs. Often, the customer's billing concerns led to a request to transfer to another retailer.

There were 17 transfer cases, most commonly about objection to the transfer (7) and contract terms (4).

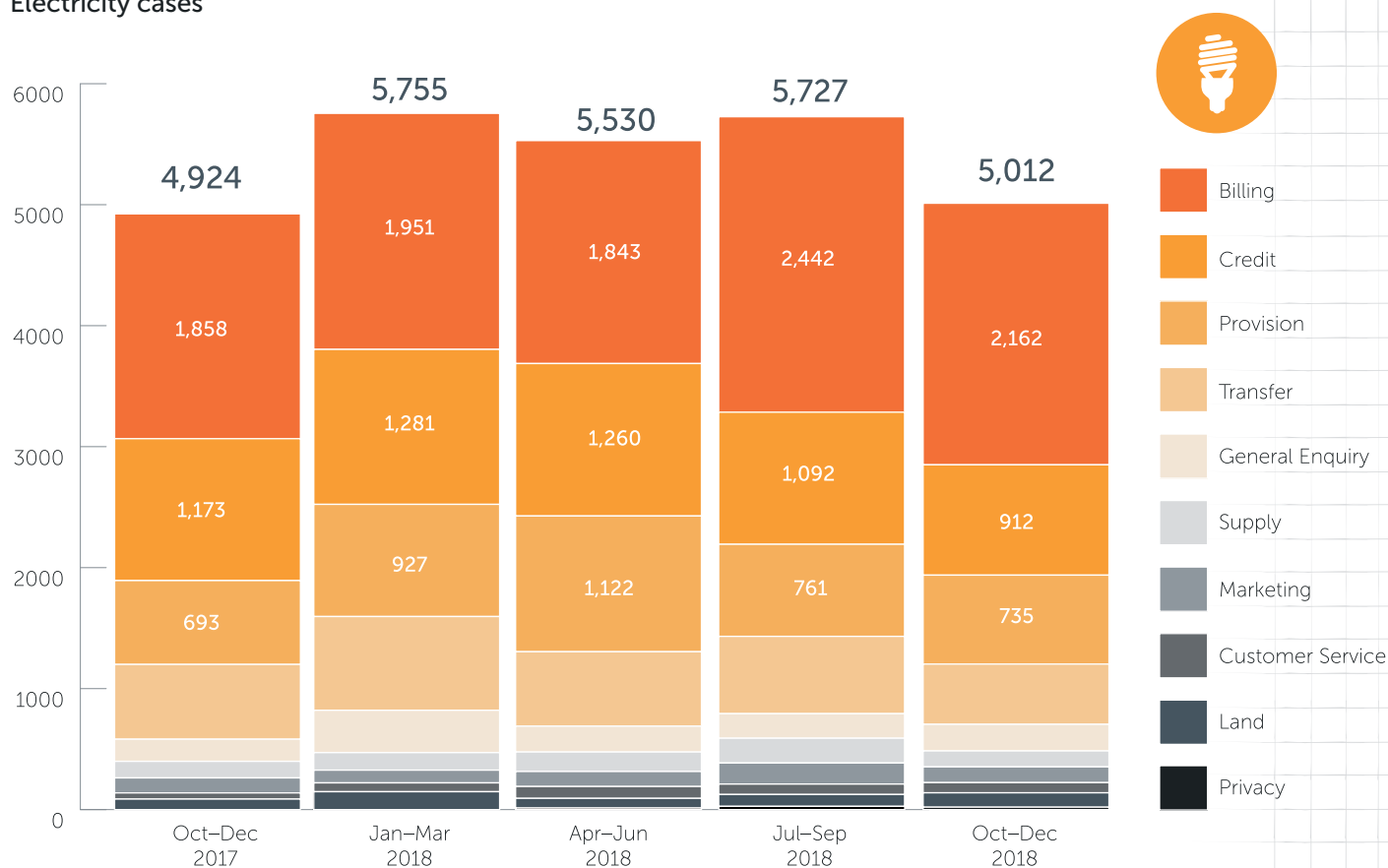
There were 9 credit cases, with disconnection (imminent and actual) the main credit issue (8 cases).

62% of the cases we received were out of EWOV's jurisdiction, because the entity being complained about isn't yet an EWOV scheme participant. The process in these cases is that we will recontact the customer once the entity has joined EWOV. For the most part, the delays are because the structure (and internal processes) of each embedded network entity affects its classification by the Essential Services Commission and EWOV.

ELECTRICITY

FIGURE 7

Electricity cases



COMPARED TO
LAST QUARTER

**ELECTRICITY
CASES**



12%



COMPARED TO
THIS TIME LAST YEAR

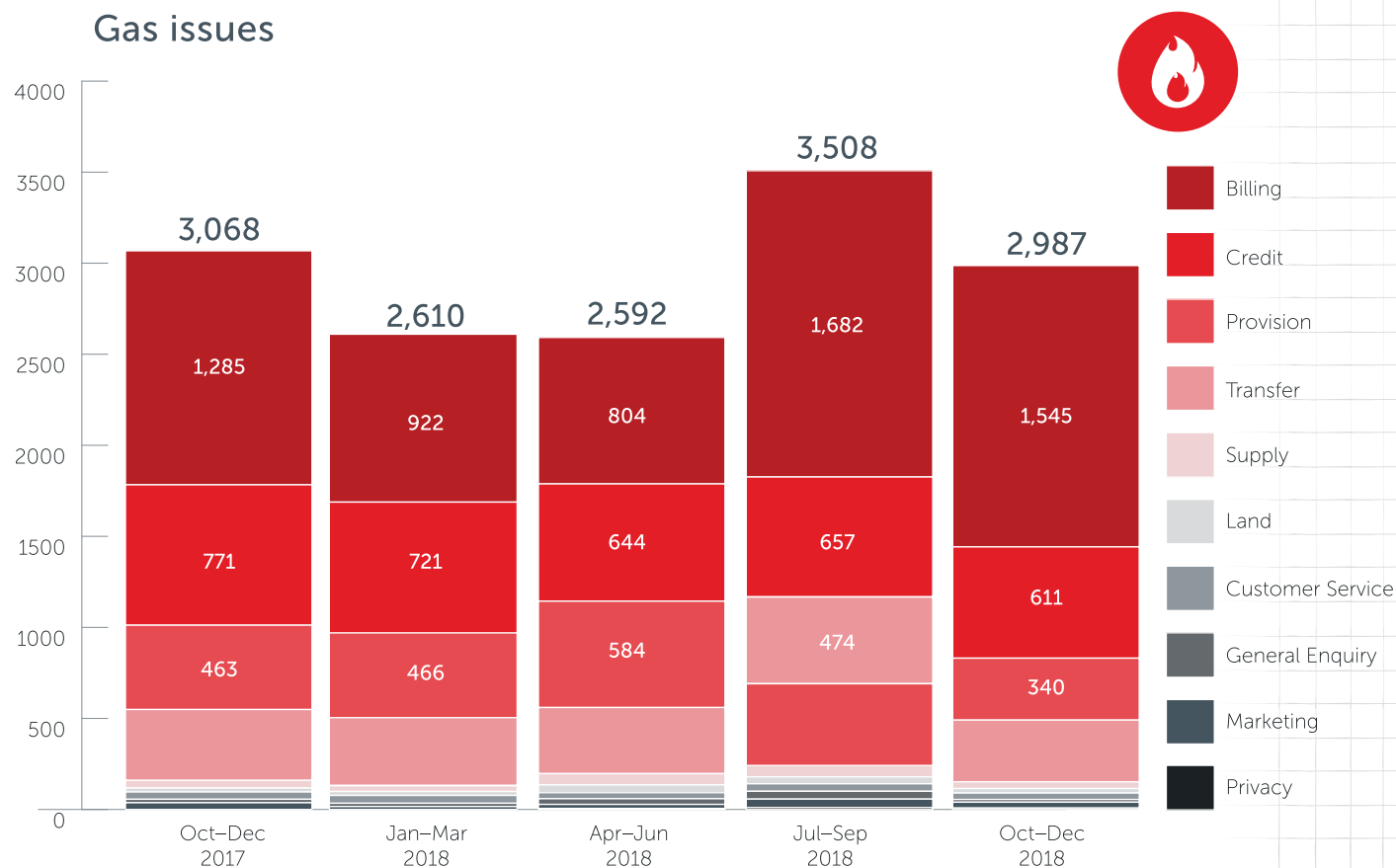
**ELECTRICITY
CASES**



2%

GAS

FIGURE 8
Gas cases



COMPARED TO
LAST QUARTER

GAS CASES



15%



COMPARED TO
THIS TIME LAST YEAR

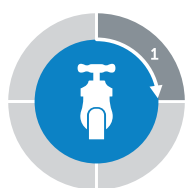
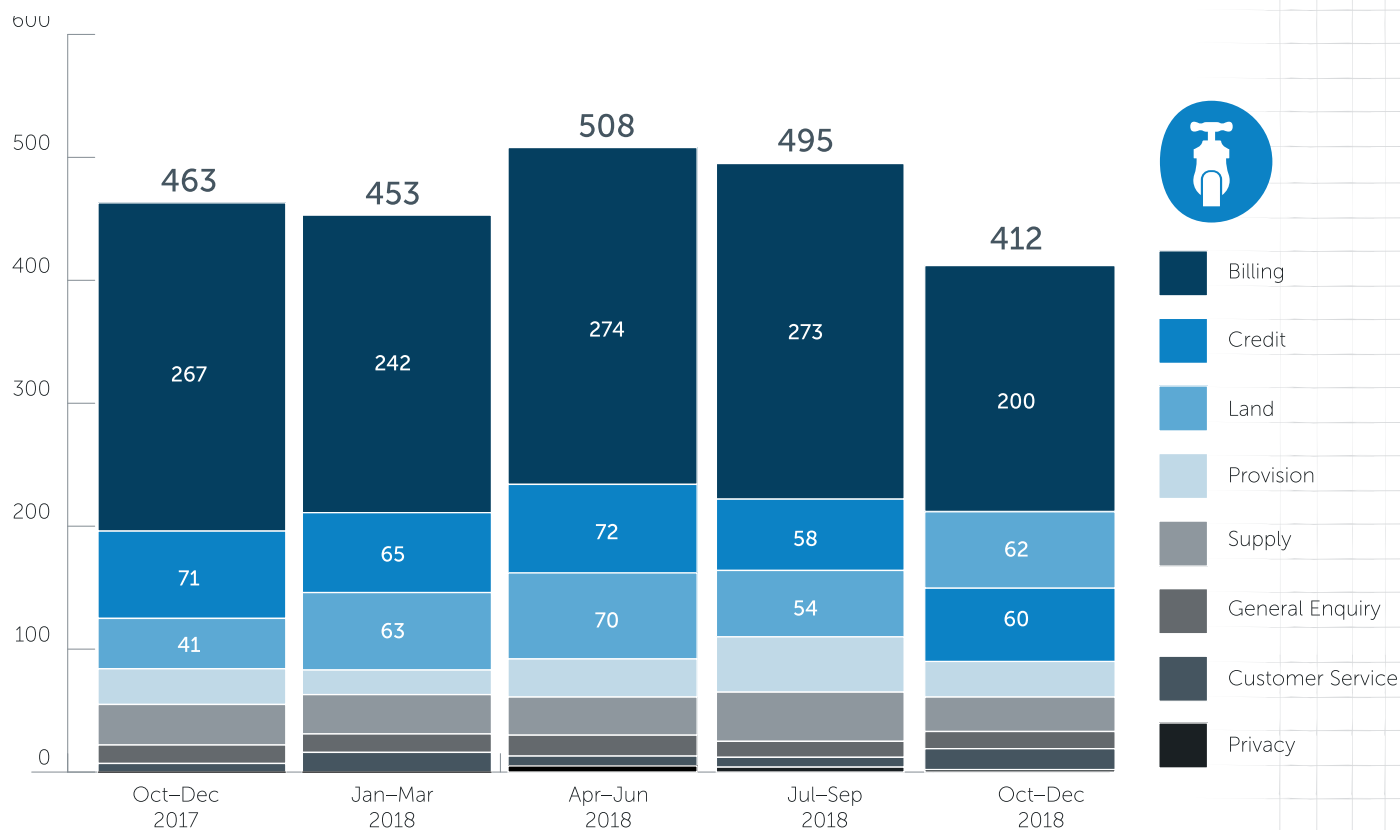
GAS CASES



3%

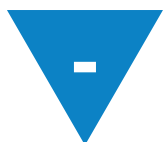
WATER

FIGURE 9
Water cases

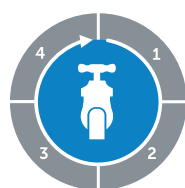


COMPARED TO
LAST QUARTER

WATER CASES

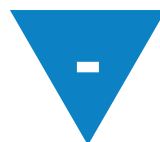


17%



COMPARED TO
THIS TIME LAST YEAR

WATER CASES



11%

SYSTEMIC ISSUES

Summary of systemic issue investigations opened and closed

October to December 2018

	Energy	Water	LPG
Open/Under Investigation	0	0	0
Closed	15	1	0

Note: Systemic issue investigations opened and closed during the above period that cannot yet be identified as being systemic haven't been included.

Systemic issues identified through EWOV's case handling

October to December 2018

Energy

Faulty meters

Our case handling showed that a type of three-phase meter appeared to be faulty. Following investigations by the energy distributor and the meter manufacturer, a fault was found in a small percentage of meters. The distributor said it addressed the issue by developing and installing software that enabled it to identify the faulty meters. It concluded that the meter 'fail rate' was far below that required by the regulations for an entire meter population to fail, and therefore require removal from service. On this basis, the distributor assessed that this type of meter could continue to be used. SI/2017/1

Two numbers for same meter

Our case handling revealed instances where two separate Meter Installation Registration Numbers (MIRNs) were created for the same address and the same gas meter. The gas distributor advised that it had reviewed its new connection process to address the problem. SI/2018/23

Connections information sent to other customers

An energy retailer's new connections team sent a customer's information to three separate unrelated email addresses. The retailer said its privacy group had since implemented a process for contacting recipients of emails sent in error. A standard disclaimer about intended recipients had also been included on all emails from the New Connections Team. It said the staff member responsible for the error had been retrained. SI/2018/27

Confusing representation of concession entitlements

The representation of concession entitlements on an energy retailer's bills was found to be confusing. Even though the annual electricity concession was being applied, it appeared not to be. The retailer said that the source of the confusion was additional information on its bills about the Excess Energy Concession. It reviewed the billing format, so that this information wasn't included until the customer had reached 80% of the Excess Energy Concession cap. The changes were to be implemented by the end of 2018. SI/2018/30

Connection delays after industrial action

Industrial action by an energy distributor's employees had been causing connection delays. The distributor's position was that industrial action was a force majeure event outside of its control, so it wasn't liable for customer claims related to the delays. It also said that under its contract it wasn't liable for any indirect loss as a result of the delay. We received six related complaints. The distributor provided payment, without admission of liability, to all customers with open EWOV complaints about the issue. SI/2018/34

Credits not received during daylight saving

Our case handling showed that some customers, who were meant to receive credits for their usage between 6am and 7am every day, didn't receive the credits in daylight saving periods. The energy retailer found that a trigger in its billing system wasn't adjusting for daylight saving for customers in one distribution network. The retailer addressed the problem and provided the 26 affected customers with their missing credits. SI/2018/35

Screening of online applications

After we identified an issue with an energy retailer's screening of online applications, the retailer reviewed its sign-up processes. It made changes to identify fraudulent applications and introduced validation checks to help ensure that only legitimate applications were processed. It scheduled these enhancements for implementation in the following three months. SI/2018/36

Concession wasn't being applied

Through our case handling, we identified that an energy retailer wasn't applying the service to property charge concession to the bills of some eligible customers. We understand 41 customers were affected. The retailer advised that a change in its billing system would resolve the problem for customers billed after late October 2018. Customers billed before this would have the concession applied manually. SI/2018/40

Solar credits wrongly described

On its bills, an energy retailer described solar credits as 'solar import', instead of credits for the electricity the customer had exported to the grid. After we drew this to the retailer's attention, it corrected its bills to say 'solar export'. SI/2018/41

Solar generation wrongly described

Through our case handling, we found that the solar consumption graphs in an energy distributor's online portal referred to 'solar generation', when the reference should have been to 'net generation' (solar generation less the electricity used at the property). The distributor acknowledged the error and corrected it. SI/2018/42

Gas marketing in a non-contestable area

Our case handling revealed that an energy retailer had been marketing gas offers and discounts to customers in a part of Victoria where no discounted offers were available, because the area was designated 'non-contestable'. The retailer updated its mailing lists to remove excluded addresses/postcodes. It also provided its mailing house with instructions not to send marketing to certain excluded address/postcodes. SI/2018/43

Marketing to elderly and vulnerable customers

From our case handling, we identified an issue with an energy retailer's marketing to elderly and vulnerable customers. The energy retailer investigated and implemented training, supervision and processes to reduce the risk of the issue arising again. SI/2018/45

Marketing email disclosed information of other customers

An energy retailer sent customers a marketing email in which the email addresses of other recipients were visible. The retailer apologised to the 202 affected customers. As an interim measure, it directed its sales representatives to stop bulk email mailouts. It committed to delivering permanent improvements to its email functionality by the end of December 2018. SI/2018/47

Misleading quoting of solar feed-in rate

An energy retailer's website and contract material gave the impression that Premium Feed-in Tariff (PFiT) customers would receive \$0.713 per kWh fed into the grid, rather than \$0.60 per kWh. The retailer amended the information in its contract material and website. It apologised to affected customers, provided account credits, and offered to move them to its best market offer. It also provided them with advice about the Victorian Government's comparison website. SI/2018/51

Large price increases on variable contracts

We received complaints from 30 customers who were unhappy with large price rises on their variable contracts. The retailer confirmed that price changes for about 33,000 customers took effect between 1 October and 30 November 2018. Depending on the customer's distribution area and usage profile, the increase was between 4% and 39% of their total bill. SI/2018/53

Water

Privacy breach

A water corporation notified EWOV of a privacy breach, which came about when an email it sent to some customers displayed another customer's name, property address, email address and amount owing. The water corporation said it sent a follow-up email to 907 customers the same day advising of the error. It also informed the Department of Environment, Water, Land and Planning and the Office of the Australian Information Commissioner. The water corporation's investigation concluded that the breach was due to human error. It said it had changed its procedures to help prevent a repeat of the issue. SI/2018/54

PUBLIC SUBMISSIONS MADE BY EWOV

Position Paper – Default Market Offer Price

Australian Energy Regulator (AER)

In EWOV's response to the position paper, we noted that the Default Market Offer (DMO) was being developed at the same time as the Victorian Government had committed to developing a Victorian Default Offer (VDO). We provided EWOV's comments on the basis that the policy intents of the DMO and VDO are reasonably similar, and the experiences of customers assisted by EWOV were relevant and could inform both consultation processes.

[EWOV's submission online](#)

[About this ESC consultation](#)

GLOSSARY

More about EWOV's [issue](#) and [complaint terminology](#) can be found on our website.