



Autumn 2013 issue

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EWOV opened in May 1996.

By 28 February 2013, we had assisted almost 385,000 energy and water customers, most of them residential.

We provide independent advice, information and referral regarding energy and water services.

We receive, investigate and facilitate the resolution of complaints involving customers and energy and water service companies in Victoria.

We identify, and where appropriate redress, systemic issues and refer these to energy and water companies and regulators.

We work with customer groups, industry and regulators to drive ongoing customer service improvement and to prevent complaints.

Message from the Ombudsman

Informative and regular public reporting has been always a hallmark of the EWOV scheme.

Our aim is to help ensure that important information about customer complaints and systemic issues is readily available to customers, industry, government, regulators and consumer advocacy groups—in relevant, meaningful, understandable and useful ways.

So far this year, we've released three different public reports on EWOV cases:

- **Res Online No. 3** reports on cases, issues and trends for the July to September 2012 quarter and includes a special feature on high bills. More on [pages 6 and 7](#).
- The **Energy Marketing and Transfer Report** we released in early February 2013 covers the October to December 2012 quarter. It reports on the most common marketing and transfer complaint issues during that period. More on [page 8](#).
- A **Solar and Smart Meter Update**, also released in February 2013, reports on the solar and Smart Meter complaint issues customers raised with us in the October to December 2012 quarter. More on [page 8](#).

Also in this issue of *EWOV Connect*, we respond to more of your roadshow requests ([pages 3 and 4](#)), foreshadow the introduction of flexible electricity pricing ([page 5](#)), remind you about the EDR Forum and invite you to follow us on Twitter ([page 9](#)).

Cynthia Gebert
Energy and Water Ombudsman (Victoria)

Planes, trains and automobiles ... and some shoe leather

From Brunswick to Wodonga, Ballarat to Mildura, Bendigo to Geelong, Frankston to Swan Hill—our community roadshow is certainly connecting EWOV with community agencies and helping build better awareness of our services.

So far we've met with over 700 community workers and visited more than 150 agencies from one end of Victoria to the other.

In late February 2013, two of the EWOV team met with representatives of six different organisations in Mildura—the Salvation Army, St Vincent de Paul, Mallee Family Care, Mallee Accommodation & Support Program, the Dispute Settlement Centre and Centrecare Employment.

Our team members then travelled on to Swan Hill where they took part in the 'Wills and Bills' day organised by the Victorian Aboriginal Legal Service and attended by community agencies from as far afield as Bendigo and Robinvale. We also dropped in at the Salvation Army Centre.

The issues raised with us most commonly during these visits were around hardship, disconnections, high bills, billing complexity and energy marketing (particularly to vulnerable customers, such as the elderly and new migrants).



EWOV representatives with the team from St Vincent de Paul, Mildura

**Community
roadshow
update**

**700+
community
workers**

**150+
community
agencies**



SHARING THE KNOWLEDGE 1

*Centrecare
Employment in
Mildura tell us
they plan to use
EWOV's customer
information videos
as part of their
employment
training program.*

**The rules
around energy
disconnection**

**Retailer or
distributor?**

Bills budgeting

**Financial
assistance**



You asked for it ... roadshow requests (1)

Energy disconnection and the wrongful disconnection payment

The rules around energy supply disconnection have been raised with us during almost every community visit. You said you'd like to see one document that explains the underlying rules—particularly what an energy company must do before disconnecting a customer's electricity or natural gas supply, and when the wrongful disconnection payment may apply. We think our fact sheet will help with this: [Disconnection and restriction for debt](#)

Which one to call? Energy retailer or distributor?

Retailers sell electricity and gas and handle all aspects of customer billing. Distributors build and maintain the local networks of electricity poles and wires, and gas pipes. They're also responsible for reading meters and sending retailers the data for billing. It's not always easy to know which one to call, but here are some tips:

- If it's about accounts, bills, billing, payment, debt collection or disconnection, ring the retailer
- If it's about a supply outage, street lighting, damage after voltage variation or a new connection, ring the distributor.
- If you're unsure, start with the retailer.

Information to help clients budget for bills

We suggest you check out the resources on the website of the Australian Securities and Investments Commission (ASIC):

- the [TrackMySpend app](#) and [budget planner](#) ... useful for finding out where the money is going
- the [savings goals calculator](#) ... to come up with spending and savings goals and guidelines
- the [money health check](#) ... for those who aren't sure where to start, this tool assesses financial health and shows how to improve it

Options when your client can't afford to pay

We cover this in detail on the EWOV website.

Check our tips under [Advice for community agencies](#), including:

- [If your client is having financial difficulty](#)
- [Check their company's hardship policy](#)

See also our 'can't pay' [fact sheet](#) and our financial hardship [online customer video](#)



SHARING THE KNOWLEDGE 2

*Mallee
Accommodation &
Support Program
Mildura plan to
use the EWOV
customer
information
videos in their
life skills
information program
for young people
about to turn 18.*

 **You asked for it ... roadshow requests (2)**

About water leak allowances

Responsibility for addressing water leaks, and the availability of water allowances that can reduce high bills, came up in recent visits in the context of customers receiving higher-than-expected water bills.

Industry practice in these cases

On a case-by-case basis, most water corporations offer some kind of special (usually one-off) allowance for customers with genuine unexplained high usage. The [Guideline for Unexplained High Usage and Undetected Leak Enquiries](#) was developed by the Victorian Water Industry Association to bring a consistent approach to industry practice in these cases. It sets out the obligations of customers and water corporations, and provides a minimum standard for the calculation of an allowance for leaks and unexplained high usage. Generally, at the water corporation’s discretion, customers can receive one allowance every five years, per property. Under the guideline, the maximum allowance is \$1,000.

In our experience, the contentious issue is likely to be whether the leak was ‘detected’ (obvious—such as a leaking hot water system or running toilet) or ‘undetected’ (the customer couldn’t have found it without assistance—such as a leaking underground pipe). Both ‘detected’ and ‘undetected’ are defined in the guideline.

Industry guideline on allowances for water leaks

Customers must address the causes of visible leaks



One customer’s undetected water leak story
Unexplained water bill almost four times the usual



Ms P was unhappy about receiving a water bill of \$755, when her usual bills were around \$200. The water corporation couldn’t explain the high bill and her plumber couldn’t detect any leaks. The situation was complicated by the fact that Ms P lived in an apartment complex where the one meter was shared by multiple units. As part of our investigation of Ms P’s complaint, we conducted leak and volume tests at the property. No leaks were detected and the meter was found to be operating correctly. The water corporation recalculated Ms P’s bill in line with the *Guideline for Unexplained High Usage and Undetected Leak Enquiries*—but it couldn’t explain Ms P’s higher usage for the three-month period. A total of \$293 was credited to Ms P’s account, including a customer service payment of \$50. This reduced her balance to \$461. Ms P was offered extra time to pay this amount. The water corporation assisted further by providing her with information on how she could apply to have the units at the apartment complex separately metered. 2012/40958

CLIENT CAN’T PAY?

They may be eligible for a Utility Relief Grant.

The application form can be obtained from gas, electricity and water companies.

Their application should provide in detail the circumstances that have led to their inability to pay the outstanding account.

Flexible pricing will offer opportunities to save money

Savings may depend on capacity to shift electricity usage



MORE INFORMATION

The State Government's 'Switch On' [website](#) will have more information in the lead-up to the introduction of flexible pricing.

Flexible electricity pricing is on the way

The Victorian [Department of Primary Industries](#) (DPI) advises that, from mid-2013, more electricity customers will start to be offered a choice between flat tariffs and new flexible pricing.

Flexible pricing means different rates for electricity at different times of the day. It's an incentive to use electricity at times of less demand. Retailers will likely offer peak, shoulder and off-peak rates—but those rates, and the times they apply, may vary from retailer to retailer.

The change is voluntary and customer consent will be required, as will a Smart Meter. Customers who change to flexible pricing with their current retailer will be able to revert to their previous rate structure without charge until March 2015.

What does this mean for you?

Some of your clients could benefit from flexible pricing without even changing their usage patterns. Others may be able to change their usage patterns to make it work to their benefit. For customers who don't have the same capacity to change their usage patterns (for example, they're always at home during the peak periods), it may not be the best option.

The opportunity to revert to their previous rates does give an opportunity for people to test how flexible pricing may suit their situation.

It's important to remember that customers don't have to go onto flexible pricing—it's voluntary. Energy retailers can't just change customers over to flexible pricing without their consent. It's also worth remembering that different retailers may be offering different timeframes and rates.

High bills focus in EWOV's latest quarterly report, *Res Online*

EWOV's [Res Online No. 3](#), released in early February 2013, reports on cases, issues and trends for the July to September 2012 quarter. We think you'll find the [feature on high bills](#) particularly useful in your work with clients.

Big increases in high bill issues

In the July to September 2012 quarter, 2,385 customers raised high bill as their main issue—32% more than for July to September 2011 (1,804) and 90% more than for April to June 2012 (1,254).

What's behind high bills?

All sorts of things, but some come up more commonly

- Affordability issues—the customer can't afford to pay the bill and possibly can't afford to pay for the electricity, gas and/or water they're using day-to-day
- Customer usage patterns—hot or cold weather; new or old appliances; building alterations; more people living in or using the property
- Billing system problems and back billing after billing system problems, estimated meter reads, account errors
- Accumulation of unpaid/partially paid accounts
- Concessions or loyalty rewards not applied or applied wrongly
- Faulty wiring/plumbing/appliance in the customer's property
- Smart Meter installation
- Missing solar feed-in credits
- Bulk hot water meter issues
- Meter data errors
- Meter reading errors
- Incorrect tariff calculations, increases, changes
- Gas and water leaks

What does this mean for you?

We know you see lots of high bills too. As well as discussing the things which lead to high bills, the *Res Online* high bills feature article lists actions we think customers and companies should be taking, and includes links to useful practical resources and some recent case studies. If you haven't already, [it's worth a read](#).

Special feature on high bills

Practical tips and resources



ABOUT EWOV'S HIGH BILL INVESTIGATIONS

Our investigation of a high bill complaint is a process of determining whether the company has contributed to the reason for the high bill. It's not always possible to pinpoint the exact cause of a higher-than-expected bill—it's often only possible to identify what wasn't the cause. The aim of our investigation is to determine whether the customer has been billed accurately, with the meter correctly recording their usage.

Things customers should do

Actions companies should take



High bills and shared responsibilities

Things we think energy and water customers should do

- Understand and manage usage to minimise potential for high bills
- Tell the company early on if they get a bill they can't afford to pay
- Work with the company to set up a payment plan they can stick to

Actions we think energy and water companies should take

- Respond to high bill concerns with swift and effective investigations
- Train staff in early identification of customers in financial hardship
- Empower staff to negotiate long term, sustainable payment plans

One customer's high bill story

It turned out to be his usage



Mr W's quarterly electricity bills were between \$274 and \$925. In July 2012, he received a bill for \$1,461. He said his retailer told him the meter was working properly, the bill was correct and had to be paid—without any offer to discuss the issue further with him. When his next bill was \$817.61, Mr W rang EWOV, seeking an investigation. He maintained that his appliances and electricity consumption patterns hadn't changed. Mr W agreed to pay the latest bill and \$600 of the previous bill.

Contacted by EWOV, the electricity retailer undertook an internal investigation. From this, it advised that a Smart Meter had been installed at Mr W's property in December 2010 and a meter test in March 2012 showed it was operating within Australian Standards. The retailer said the disputed July 2012 bill was based on actual meter data provided by the distributor. The retailer also reviewed the daily meter data for Mr W's property. This revealed a pattern of high usage around the Christmas/New Year period and on weekends.

Our investigation included a thorough analysis of the information provided by the retailer—Mr W's historical consumption, meter data, tariff rates, contact screens, account history and invoices. We found no error on the retailer's part. We did, however, find that Mr W's higher electricity usage coincided with temperature increases. We also found that his property was connected to three-phase power, which may not be necessary for his needs. We advised him to consider an in-house display to help him monitor his usage and seek further advice from an electrician. The complaint was resolved when Mr W accepted the retailer's offer of a one-off account credit of \$289. He was given time to pay the arrears of \$572.88 and was satisfied with this outcome. 2012/16779

RIGHTS AND RESPONSIBILITIES

The [Energy Retail Code](#) sets out rights and responsibilities around bills, billing, capacity to pay, payment difficulties and instalment plans.

The [Victorian Water Customer Service Codes](#) set out the same in water.

A property's energy and water efficiency can be hard for a tenant to control. Tenants should talk to the landlord if they think a fixture, such as the hot water service or the wired-in heating, is contributing to their high bills.

 **From our latest energy-specific reports**

Energy Marketing and Transfer Report (Oct 2012 to Dec 2012)

Main findings

- 5% increase in total marketing and transfer cases
- 5% reduction in door-to-door marketing cases
- Continued increase in cooling-off rights cases—up 24%
- The three largest retailers had the highest proportions of contract terms cases

Most common issues

- 31% transfer—contract terms
- 19% transfer—in error
- 15% transfer—without consent
- 13% marketing—misleading
- 13% transfer—cooling off rights

[Report in full and sections here](#)

NO MORE DOOR-TO-DOOR
EnergyAustralia and AGL Sales have both recently announced that they will cease door-to-door energy marketing in Victoria.

Tracking common issues of complaint

Keeping regulators, companies and the public informed



Solar and Smart Meter Update (Oct 2012 to Dec 2012)

Main Smart Meter findings

- Smart Meter cases stabilise
- 20% about high bills following the installation of a smart meter (24% more high bill cases this quarter than the previous quarter)
- 13% about installation of the Smart Meter itself

Main Solar findings

- Solar cases continue to increase
- 62% about billing of solar accounts (tariff, delay, high, error)
- 11% about delays in upgrading customer supply to be solar-enabled

[Report in full and sections here](#)

THE PFiT TIDE MAY HAVE TURNED

The last quarter of 2012 was the first time since the second half of 2009 that the Premium Feed-in Tariff (PFiT) wasn't the most common solar issue.



EDR Forum

2013 External Dispute Resolution (EDR) Forum

9 am to 4.15 pm

Thursday 23 May 2013

Four Points Sheraton, Darling Harbour, Sydney [website](#)

in conjunction with Financial Counselling Australia's Conference



Follow us on Twitter

Stay up-to-date with:

- our community visits
- our new reports
- new website content
- our tips on all sorts of things from dealing with energy marketers to saving energy



<https://twitter.com/ewov>

EWOV essentials

We can help with electricity, gas (natural and LPG) and water problems that can't be resolved directly with an electricity, gas or water company. Our services are free and available to everyone.

What kinds of problems?

- the provision and supply of a service (or the failure to provide or supply it)
- billing
- credit and payment services
- disconnections and restrictions
- refundable advances (security deposits)
- land and property issues

How do we resolve problems?

Most things can be sorted out through discussion and agreement. In a small number of cases, the Ombudsman makes a final decision—just like an umpire. Decisions are binding on energy and water companies and may include awards of up to \$20,000 or, if all parties agree, up to \$50,000. Read more on our website: www.ewov.com.au

Freecall 1800 500 509

If the phone service is restricted—ring 12550 (Telstra reverse charges) and quote this number: (03) 8672 4460—we'll accept the reverse charges and the call cost. Calls from mobile phones may attract charges — we can ring you back.

Free fax: 1800 500 549

Interpreter service: 131 450

National Relay Service: 133 677

Email: ewovinfo@ewov.com.au

Online complaint form: <http://www.ewov.com.au/GotaProblem/Complaint-form.aspx>

Website: www.ewov.com.au

Post: GPO Box 469 Melbourne Vic 3001