



Listen Assist Resolve

17 January 2013

Attn: Ms Kerri Heron
Essential Services Commission
Level 2, 35 Spring Street
Melbourne VIC 3000

By email: elecindicators@esc.vic.gov.au

Dear Ms Heron,

Re: Essential Services Commission (ESC)'s Review of Energy Retail Performance Indicators

Thank you for the opportunity to comment on the Essential Services Commission (ESC)'s Staff Consultation Paper - Review of Energy Retail Performance Indicators (the Consultation Paper).

As an industry-based external dispute resolution scheme, the Energy and Water Ombudsman (Victoria) (EWOV) provides alternative dispute resolution services to Victorian energy and water consumers by receiving, investigating and facilitating the resolution of complaints. In making this submission, EWOV's comments are based on our experience in dealing with actual disconnection complaints that come to us when they remain unresolved.

Removal of the Wrongful Disconnection Payment (WDP) Indicators

EWOV does not object with the ESC's proposal to remove the Wrongful Disconnection Complaint numbers from the Energy Retail Performance Indicators, given this information will still be reported in the ESC's Compliance Report for Victorian Energy Retail Businesses (Compliance Report). However, we recommend further scrutiny is applied to Victorian energy retailer WDP data. Based on the WDP numbers previously reported by energy retailers for the Compliance Report (see table page two), it is unclear whether energy retailers:

- are correctly reporting the number of WDPs paid
- are reporting these figures in addition to those reported by EWOV
- are reporting all WDPs which were applicable.

During the 2011-12 financial year alone, EWOV investigated in total 1,364 actual disconnection cases. In over half of these investigations, a WDP was found to be applicable (see table on page two). This is an increasing and concerning trend, as more Victorian consumers are being wrongfully disconnected.

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	WDPs reported by energy retailers ¹ to the ESC	Percentage of disconnections with WDP applicable ²	EWOV WDP investigations with WDP applicable	Percentage of EWOV WDP investigations with WDP applicable
2007-08	241	1.9%	153	36%
2008-09	155	0.8%	149	46%
2009-10	122	0.4%	292	50%
2010-11	unclear ³	unclear	489	49%
2011-12	unclear ⁴	unclear	754	55% ⁵

However, based on the data energy retailers historically provided to the ESC, WDPs payable as a proportion of the total energy disconnections decreased from 2007-08 to 2009-10.

Considering the higher proportion of EWOV actual energy disconnection investigations, where the customers supply was disconnected wrongfully, EWOV is concerned that:

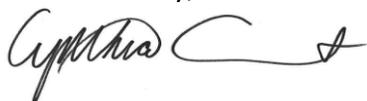
- energy retailer internal assessments may not be adequate
- third parties are required to prompt assessment of the applicability of WDP, as occurs through EWOV's investigation process
- customers are not aware that a wrongful energy disconnection could result in a payment from their energy retailer.

Additional EWOV Data

EWOV notes that the Consultation Paper suggests that additional data may be sought from EWOV. EWOV is happy to comply as best as possible with this request, and would be interested in meeting with the ESC to discuss further.

We trust the above comments are helpful. If you require further information or have any queries, please contact Belinda Crivelli, Senior Research and Communications Advisor on 03 8672 4460.

Yours sincerely,



Cynthia Gebert
Energy and Water Ombudsman (Victoria)

¹ Obtained from The ESC's Compliance Reports.

² Calculated from the ESC's data in the Energy Retailers Comparative Performance Report and Compliance Reports.

³ The [ESC's Compliance Report \(2010-11\)](#) page 25-27, outlines Breach of clauses 13 and 14 of the Energy Retail Code, it's unclear whether these are the WDPs reported as previously provided in the Wrongful Disconnection cases table (e.g. [ESC's Compliance Report \(2008-09\)](#) Page 12).

⁴ While the [ESC's Compliance Report \(2011-12\)](#) page 18-19, outlines Breach of clauses 13 and 14 of the Energy Retail Code, it's unclear whether these are the WDPs reported as previously provided in the Wrongful Disconnection cases table (e.g. [ESC's Compliance Report \(2008-09\)](#) Page 12).

⁵ This figure included the EWOV WDP Outcome of 'WDP paid no admission of breach by retailer'.