

EQUPDATE

Issue No.3

December 2008



Jenny Top, Investigation Officer, South Queensland, at a site visit.

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Energy Ombudsman's message

On 30 June 2008, we celebrated a milestone – the successful completion of our first year of operation.

In our first 12 months we assisted over 7,300 Queenslanders and established ourselves as an essential and valuable service for Queensland's residential and small business energy consumers.

I am very pleased with the running of our scheme in its inaugural year and proud of the successful outcomes that our hard working investigation and corporate staff have achieved for many consumers. In fact, 82% of customers rated our performance as satisfactory or very satisfactory, exceeding our target of 80%.

In April 2008 we saw case numbers double to around 1,000 cases per month. The spike in complaints followed the transfer of customer data from south-east Queensland's pre-retail competition billing system to new billing systems in March.

We liaised and negotiated with the relevant retailers to achieve good outcomes for those consumers who experienced billing problems. This included back-dated payments to those who had not received rebates and concessions, as well as the reimbursement of incorrect fees and charges.

However we are still experiencing a high number of complaints about accounts, rebates, fees and charges. The Queensland Government recently introduced a rebate of up to \$40 payable by retailers who overcharge customers. With over 1,800 investigations into accounts since 1 July 2008, I look forward to seeing better outcomes for Queensland's energy consumers in 2009.

With the festive season fast approaching, may I take this opportunity to wish you and your family a happy and safe holiday.

Barry Adams
Energy Ombudsman Queensland



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Complaint statistics

1 July – 28 November 2008



Category	Complaint	Description	Total
Account	Account fees & charges	Consumer is querying fees or charges on their account	528
	Account payment difficulty	Consumer is experiencing difficulty in making payment of their energy account	455
	Account responsibility	Consumer has query as to the name on their energy account	361
	Debt collection	Consumer has complaint about contact by a debt collection agency seeking payment	18
	High/disputed account	Consumer is claiming their energy account is unusually high and is disputing both energy consumption and payment	466
Compensation	Damages & loss	Consumer alleges damage or loss of goods as result of incident on electricity or gas network	19
	GSL	Consumer is seeking a guaranteed service level rebate in accordance with the Electricity Industry Code	0
Connection	Existing network	Consumer is seeking a new connection to the existing network (eg new residence)	64
	Extension of supply	Consumer is seeking to have supply extended from the electricity or gas network to their property	10
Competition/ market	Contract issue	Consumer has a complaint over the terms or conditions of their energy contract (market or standard contract)	235
	Market conduct	Consumer complaint regarding the conduct of retailers attempting to sign customers on negotiated contracts	103
Customer service	Customer service	Consumer complaint regarding the manner of contact with their energy supplier (eg call centre contact)	260
Disconnection	Disconnections	Consumer has had energy supply disconnected and is seeking assistance to be reconnected	36
Distribution network	Interruption to supply	Consumer is claiming an interruption to their electricity or gas supply via the network	3
	Quality of supply	Consumer complaint regarding the quality of their energy supply	6
	Vegetation/environment	Consumer complaint regarding the trimming or removal of vegetation near energy assets (eg trees near powerlines)	6
	Equipment/assets	Consumer is seeking to have energy supplier's assets relocated or removed from near or on their property (eg relocation of power pole)	15
Referrals	Referred back to energy supplier	Customer is referred back to their energy provider as they have not initially raised their complaint with their provider	1,910
	Referred to energy regulator	Customer complaint is referred to the Department of Mines and Energy	232
	Referred to OFT	Customer is referred to the Office of Fair Trading	3
	Referred to other agency	Customer complaint is referred to another agency (eg Department of Communities, Electrical Safety Office)	82
	Referred to QCA	Customer is referred to the Queensland Competition Authority	8
General enquiries	General enquiry	Customer is seeking generic information (eg information on FRC)	413
TOTAL			5,233

What's new

EOQ annual report



Our first year of operation has certainly been a busy one with over 7,300 complaints, 380,000 customers changing energy suppliers under full retail competition and 20 suppliers joining the scheme.

The 2007-08 annual report details all the complaints we've investigated, the performance of energy suppliers and how we achieved 82% client satisfaction.

Download your copy from our website or email publications@eoq.com.au.

Rebate for customers overcharged

The State Government announced a rebate, of up to \$40, for energy customers overcharged on their electricity accounts.

The new *Electricity (Retail Billing Guaranteed Service Level Scheme) Code* requires power billing companies to pay their customers for the inconvenience and stress of being overcharged. This includes:

- not providing the electricity rebate to those entitled to it
- incorrectly charging the Community Ambulance Cover (CAC) levy, or
- charging an incorrect price or rate.

Customers may receive a rebate of \$15 if they are overcharged between \$0.40 and less than \$10. A \$40 rebate may be paid if the error is \$10 or more.

Customers are entitled to the rebate if they have already paid their account but it is incorrect. The rebate will be credited into the customer's next account. However, if the mistake on the account is identified by the retailer and re-issued to the customer prior to payment, or caused by circumstances outside their control, the rebate does not apply.

Whilst suppliers should automatically pay the rebates, we encourage people to check their accounts and contact their supplier if they've been overcharged. EOQ can also provide assistance if customers are unable to resolve their account problems with their supplier.

New Regional Manager



EOQ recently welcomed Tula Hewitt as North Queensland's new Regional Manager (above).

Tula has more than 13 years dispute management experience with the Residential Tenancies Authority, Relationships Australia, Anti-Discrimination Commission Queensland and the Department of Justice.

Many thanks to Samina Shah, our previous regional manager, for her efforts in establishing the North Queensland office.

Scheme member manual

The scheme members' manual contains a guide to Queensland's *Energy Ombudsman Act 2006* and other relevant energy acts and

codes.

It provides a general understanding of EOQ scheme member obligations and outlines the processes used by us to resolve customer complaints and how we deal with our scheme members.

The manual is now available at www.eoq.com.au.

New! Fact sheets

After analysis of the top complaints and issues we received in 2007-08, we developed a new range of information material to inform energy consumers about their rights and responsibilities, as well as what to do if they have a complaint.

The new fact sheets cover issues such as:

- Energy bills
- Electricity and gas meters
- How to get connected
- Payment assistance and rebates
- How to cut down on energy costs
- Contracts
- Dealing with energy marketers

We also have information available in 12 languages.

The fact sheets are available from www.eoq.com.au and additional copies can be ordered online.

Christmas opening hours

EOQ offices in Brisbane, Cairns and Rockhampton will be closed from Thursday 25 December 2008 until Thursday 1 January 2009.

If you wish to make a complaint during this time, you can phone 1800 662 837 and leave a message, submit a complaint online or email complaints@eoq.com.au. One of our Investigation Officers will respond to you on our return.

Please note: Under the Electricity Industry Code, disconnections cannot occur for residential or small business electricity users between 20-31 December.

In the spotlight

Check your bill – every dollar counts

With food prices, petrol and rent all increasing, every dollar counts and there are no doubts that many pensioners and families are doing it tough at the moment.

Life certainly isn't made any easier when people don't receive rebates they are entitled to or are charged fees they shouldn't be.

Account fees and charges are the most common complaints EOQ receives.

Since 1 July 2007, we have investigated 1,065 cases into account fees and charges. This represents 31% of all investigations into account complaints.

Some of the most common issues include electricity and gas rebates not being applied, the Community Ambulance Cover (CAC) levy incorrectly charged, charging the wrong price or tariff, or the total consumption is charged twice.

Unfortunately electricity and gas retailers are making too many mistakes.

To try to resolve this, the Queensland Government recently

announced a new rebate for customers overcharged on their bills. Page 3 has more information about this.

Below is a brief overview about the rebates available and common tariff charges to help you and your clients know when they have been overcharged.

Electricity rebate

The Electricity Rebate Scheme applies statewide and is available to seniors with a Pensioner Concession Card, Queensland Seniors Card, and some veterans with a Veterans' Affairs Gold Card receiving a War Widow or Special Rate TPI pension.

The rebate is \$0.4109 (ex GST) per day or around \$150 per annum. As it is calculated on a daily rate, the rebate may vary from bill to bill depending on the number of days in the billing period.

Pensioners eligible for the electricity rebate do not have to pay the CAC levy.

Gas rebate

Similar to the electricity rebate, a gas rebate is available to seniors with a Pensioner Concession Card, Queensland Seniors Card, and some veterans with a Veterans' Affairs Gold Card receiving a War Widow or Special Rate TPI pension.

The rebate is \$0.1436 (ex GST) per day or approximately \$52 per annum.



Tariffs

Each year the Queensland Government sets regulated electricity retail tariffs (the price for each unit of energy consumed) for consumers in a standard contract.

Tariff 11 is the standard tariff for domestic premises, and at 1 July 2008 it is \$0.1481 per kWh.

Different tariffs may apply for consumers on a market contract and are set by the electricity retailer, not the Queensland Government. People should check with their electricity supplier to find out what tariff/s they are on.

EOQ encourages all consumers to check their bills before paying them and to contact their energy supplier first if they have been overcharged. If people are still unable to resolve their complaint, contact EOQ for assistance.



In the spotlight



Success stories

Incorrect ambulance levy reimbursed

When Jane received her first bill from a new energy retailer, she noticed that it included an amount for the CAC levy.

Jane didn't recall seeing the CAC levy previously so she looked up an old energy bill to find out if it had been included. Her previous bill didn't include the CAC levy but it did include an electricity rebate, which was missing from the new bill.

Following unsuccessful attempts to resolve the matter with her electricity retailer, Jane contacted EOQ for assistance. She was told that eligible pensioners, holders of a Queensland Government Senior Card or Pensioner Concession Card, should receive a Queensland Government electricity/gas rebate. She also found out that recipients of the rebate do not have to pay the CAC levy – this was why it hadn't appeared on any of her previous bills.

It turned out that the marketer who signed Jane up to the new energy retailer had forgotten to tell her that she should contact the company's call centre with details of her Pensioner Concession card. Rebate details are not automatically transferred across to new accounts when people change retailers.

As Jane was entitled to a rebate that she hadn't received, her energy retailer back-dated the rebate for the correct period and reimbursed her for the incorrect CAC levy charge.

Form redesign helps pensioners

David supplied all of the information regarding his concession card to the energy company sales person at the time of signing a new contract but didn't receive his electricity rebate. His attempts to resolve the issue with his retailer were unsuccessful so he contacted EOQ.

After investigation by EOQ, it was discovered that the energy company's contract form had no provision for recording concession start dates, so even though the salesperson captured concession numbers, the valid start date was not recorded on the form.

Upon further investigation, it was discovered that the energy company's computerised billing system only credits pension rebates to those customers in their billing system who have a start-date recorded against their concession details. Because this information was not being collected on the form, it was not captured in the energy company's billing system.

EOQ suggested that the energy company redesign their contract form so that a start date could be recorded for all customers who were entitled to receive a pension rebate. David and other customers affected were able to have their rebate back-dated and were credited the over-charged amount.

Small business compensated for overcharged tariff

Roger owns an all-night convenience store and is on Tariff 22 for his electricity supply, as are many other small businesses.

On his last bill, Roger discovered that his electricity consumption between 9pm and 11pm was billed as a shoulder tariff and he was charged 20.16 cents per kWh for this electricity.

The Queensland Government has set Tariff 22 at 20.16 cents per kWh for electricity consumed between 7am-9pm Monday to Friday. All other times, the price is 7.10 cents per kWh. Roger felt he had been overcharged and contacted EOQ for assistance after his retailer failed to address his concerns.

EOQ investigated the matter with Roger's electricity retailer and they confirmed there was no shoulder tariff for customers in Queensland. However the electricity distributor who read the meter supplied peak, shoulder and off-peak readings to the retailer for billing purposes.

Under Tariff 22, Roger should have been billed at the off-peak rate, as it was after 9pm, but his electricity retailer had been billing his consumption at the peak rate.

EOQ successfully negotiated a refund for Roger and the retailer is reviewing its systems to ensure other businesses on Tariff 22 are invoiced correctly.

In the spotlight

Keep cool but keep costs down

With another hot summer predicted, don't let a high energy bill raise your temperature.

High and disputed accounts are one of the biggest issues our customers have with almost 900 complaints to date.

People tend to under estimate their energy usage and are unaware of the amount of energy their home appliances actually use.

For example, if one family-sized, reverse cycle air conditioner is used from 6pm to 11pm every night for a three month period it will cost approximately \$100. When you add this on top of the average energy bill, the increase can be quite significant.

It's also important to set air conditioners to 24 degrees. For every one degree cooler you set an

air conditioner, you will be charged around ten percent more on running costs.

Many people think that energy usage in their home will be minimal if they go on holidays for a few weeks, but this is not always the case.

Household appliances use significant amounts of electricity in standby mode – when the appliance is not in use but is still turned on at the wall. If appliances aren't being used, turn them off at the wall where practical.

An online energy calculator, www.dme.qld.gov.au/energy, can help consumers estimate the costs of their household electricity use

and find out ways to save money on energy bills.

If people are having trouble paying their energy bill, they should contact their energy supplier immediately to find out if a payment plan can be organised, before disconnection.

EOQ can provide assistance if a payment plan can't be negotiated. Phone 1800 662 837 or email complaints@eoq.com.au.



Green energy accredited v non-accredited

Energy retailers all across Australia now offer consumers green electricity products.

Before signing on the dotted line, consumers should check to see how green their energy is.

GreenPower is the only national government accreditation scheme in Australia which ensures that energy providers purchase

renewable energy on the customer's behalf.

Accredited green energy is independently audited by GreenPower every year ensuring energy retailers purchase electricity from renewable sources and then feed into it the electricity grid on the customer's behalf.

The GreenPower tick logo is the guarantee that consumers are helping facilitate new sustainable energy projects in Australia.

Customers can choose what percentage (10, 20, 25, 50, 75 or 100%) of their electricity consumption they would like to come from GreenPower to best suit their budget.

To find out who provides accredited renewable energy in Queensland, or for more information on green energy, visit the GreenPower website www.greenpower.gov.au or call 1300 852 688.



Source: www.greenpower.gov.au

Community outreach

EOQ customers satisfied

In a recent survey, 82% of EOQ customers rated our performance as satisfactory or very satisfactory, exceeding our target of 80%.

The survey questioned customers on the skills and expertise of EOQ staff, information provided to them on their complaint and its progress, and the opportunity for customers to tell their side of the dispute.

Although 33% of respondents believed the outcome of our investigation was not in their favour (or believed the outcome was in the favour of the energy supplier):

- 92% still said they would recommend EOQ to a friend if they had an unresolved complaint
- 83% were still either satisfied or very satisfied with the *overall service* provided by EOQ.

Out and about in Queensland

Energy Ombudsman Barry Adams met with community members during visits to Rockhampton, Warwick, Currumbin, Nambour and Cairns.

With an increasing number of complaints coming into his office, State Member for Nicklin Peter Wellington invited Barry Adams to Nambour in August. Barry and two investigation officers met with 30 people to hear first hand their disputes with energy providers and to assist resolve the problems.

In November, Investigation Officers from South Queensland attended QCOSS Energy Hardship Forums in Logan and Brisbane. They joined representatives from AGL, Origin, Integral and Department of Communities to discuss the hardship policies and payment assistance available to those in financial crisis.

Seniors enquiry line

EOQ supplied information about our services to the Seniors Enquiry Line, a statewide information and referral service developed by the Queensland Government. For the cost of a local call, Seniors Enquiry Line gives Queensland seniors, grandparents, their families, friends and carers access to information on topics of interest to seniors.

Electorate officer training

Queensland Parliament conducted a pilot training program for 13 electorate staff in June and EOQ supplied information material. Staff from Brisbane, Maryborough, Mackay, Bundaberg, Townsville, Whitsunday and Toowoomba attended the course which will be rolled out to other electorates during the next 12 months.



Useful resources

Electricity retailers

AGL

www.agl.com.au
Residential: 131 245
Small business: 13 38 35

Australian Power and Gas

www.australianpowerandgas.com.au
133 298

Country Energy

www.countryenergy.com.au
13 23 56

Energy Australia

www.energyaustralia.com.au
Residential: 13 15 02
Small business: 13 13 67

Ergon Energy

(regional Queensland only)
www.ergon.com.au
13 10 46

Integral Energy

www.integralenergy.com.au
133 753

Jackgreen

www.jackgreen.com.au
1300 465 225

Momentum Energy

www.momentumenergy.com.au
1300 662 778

Origin Energy

www.originenergy.com.au
Residential: 13 24 61
Small business: 13 24 63

Powerdirect

www.powerdirect.com.au
1300 307 966

Queensland Electricity

www.qldelectricity.com.au
1300 728 325

TRUenergy

www.truenergy.com.au
133 466

Gas retailers

AGL

www.agl.com.au
Residential: 1300 309 132
Small business: 13 38 35

Australian Power and Gas

www.australianpowerandgas.com.au
133 298

Dalby Regional Council

www.dalbyrc.qld.gov.au
1300 728 500

Origin Energy

www.originenergy.com.au
Residential: 13 24 61
Small business: 13 24 63

Roma Regional Council

www.romaregionalcouncil.qld.gov.au
1300 007 662

Electricity distributors

Country Energy

www.countryenergy.com.au
13 23 56

Energex

www.energex.com.au
13 12 53

Ergon Energy

www.ergon.com.au
131 046



Gas distributors

APT Allgas

www.pipelinetrust.com.au
1300 766 338

Dalby Regional Council

www.dalbyrc.qld.gov.au
1300 728 500

Envestra

www.envestra.com.au
1800 007 427

Roma Regional Council

www.romaregionalcouncil.qld.gov.au
1300 007 662

ABOUT EOQ

The Energy Ombudsman Queensland is a free and independent dispute resolution and mediation service for Queensland's energy consumers.

We are committed to providing an effective, high-quality, fair and confidential service for domestic and small business energy consumers who have been unable to resolve a problem with their energy supplier.



Freecall
1800 662 837



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