



CHILL YOUR WINTER POWER BILL: EWON'S NEW RESOURCE HELPS AVOID BILL SHOCK

EWON is encouraging consumers to make use of a new online resource to help them keep their energy consumption and accounts under control during the cold weather to avoid bill shock later.

Quarterly billing means it can be several months before many customers see how the charges for seasonal energy use add up. With the colder

weather soon to set in, the time to start thinking and acting is now.

"Winter power bills are a double whammy for consumers. The combination of cold weather, less daylight and more rain means many of us use more power in the home at this time of year, and energy pricing increases from 1 July push up the cost of consumption," said Clare Petre, Energy & Water Ombudsman NSW.

"In the cooler months we have heaters, air-conditioners, clothes driers and electric blankets running, and the lights are on for longer. Come springtime we've often forgotten this," Ms Petre explained, "but then the winter bill arrives in September or October applying the increased tariffs – and it can be quite a shock."

To help energy consumers avoid the stress of bill shock, EWON has compiled a simple online resource, *Chill your winter bill*, available at EWON's website, www.ewon.com.au.

The resource consists of consumer tips, information and referrals laid out in simple steps that consumers can take now to help avoid unexpectedly high bills, debt and disconnection down the track.

Community workers play an integral role in educating and assisting households to manage their bills. EWON is encouraging consumer representatives to familiarise themselves with the *Chill Your Winter Power Bill* resource and to refer clients who may benefit from the information to the website.

About EWON

The Energy & Water Ombudsman NSW (EWON) provides an independent way of resolving customer complaints about all electricity and gas suppliers in NSW and some water suppliers. Our service is free, fair and independent. Our aim is to keep essential services within reach of everyone.

We can help customers with a range of problems including:

- high bills, disputed accounts
- debts, arrears
- negotiating affordable payment plans
- problems getting reconnected
- disconnection/restriction of supply
- opening/closing accounts
- energy marketing practices
- negotiated contracts or switching retailers
- reliability or quality of supply

Contact EWON

Freecall 1800 246 545*

Monday–Friday, 9am–5pm

*Calls from mobile phones may attract a fee, which will vary depending on your service provider. If you are calling from a mobile phone, let us know and we will call you back.

Freefax 1800 812 291
 Freepost Reply Paid 86550
 Sydney South NSW 1234
 Email omb@ewon.com.au
 Website www.ewon.com.au
 Interpreter 131 450
 TTY/Voice 133 677 (National Relay Service)

About EWONews

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Companies within EWON's jurisdiction (as at 31 March 2013)

Energy Distributors

ActewAGL Distribution	Endeavour Energy
Albury Gas Company	Envetra NSW
APT Allgas Energy	Essential Energy
Ausgrid	Jemena
Central Ranges Pipeline	TransGrid

Energy Retailers

ActewAGL	Lumo Energy
AGL	Momentum Energy
Aurora Energy	Origin Energy
Australian Power & Gas	Powerdirect
Country Energy	QEnergy
Diamond Energy	Red Energy
Dodo Power & Gas	Sanctuary Energy
EnergyAustralia	Simply Energy
GoEnergy	TRUenergy
Integral Energy	WINenergy

Water Distributors & Retailers

AquaNet	Sydney Water
Gosford City Council	Veolia Water Solutions & Technologies
Hunter Water	Water Factory Company
Shoalhaven Water	Wyong Shire Council
State Water	
Sydney Desalination Plant	

Ombudsman's report

The future of door to door marketing?

One of the most interesting industry developments in recent months was the decision by major retailers EnergyAustralia and AGL to stop door to door energy marketing.

According to EnergyAustralia and AGL, this is welcome news for consumers, whose dislike for this kind of selling has prompted their decision.

EWON also welcomes the change. Following the March 2011 sale of the NSW state government's retail energy operations, the volume of marketing complaints we receive has grown significantly, and many of these complaints concern door to door marketing activity.

Typically, customers report that they have been misled by door to door marketers, that they were pressured into signing a contract or that the marketer attempted to sign up a non-account holder. We have also seen ongoing issues with door to door energy salespeople inappropriately marketing to vulnerable members of the community, including those with limited English and the frail aged.

In 2011-2012, EWON recorded a 71% increase in marketing related complaints. Looking ahead, we hope to see these complaints decline as retailers move away from door to door selling.

Inaugural EWON Consultative Council (ECC) Meeting

The ECC brings together consumer, small business and industry representatives to raise issues and concerns, put forward views and contribute to EWON's planning.

In November 2012 we held our first ECC meeting and one of the key matters raised was the difficulty community agencies have faced in having their authority to act for a client recognised by various energy and water providers.

To resolve this problem, EWON has been working with community agencies and industry to develop a standardised authority to act form that reflects the



requirements of providers and supports the work processes of community agencies. See page 7 for more details.

1 July 2013 changes for electricity and gas consumers

The new financial year brings several changes for energy and water customers. In addition to pricing increases due to come into effect, NSW will introduce the National Energy Customer Framework (NECF), and the dollar value of various rebates will increase. Changes to the Energy Accounts Payment Assistance scheme will also come into effect. See page 2 for more details.

Avoiding winter bill shock

As the cold weather returns, EWON is launching an awareness and education campaign, *Chill Your Winter Power Bill*. The campaign aims to get consumers thinking about their energy use and how to manage their consumption to help avoid a shock when their winter bill arrives. See page 8 for more information about the campaign and how you can help promote the message.

New EWON member

We welcome WINenergy as a new member of EWON.

Clare Petre

Clare Petre
Energy & Water Ombudsman NSW

1 JULY 2013: KEY CHANGES FOR ENERGY CONSUMERS

ENERGY PRICES

Electricity prices are expected to rise by an average of 3% across NSW this year (including inflation), which is substantially less than rises in recent years. IPART's draft decision on pricing reflects much lower network (poles and wires) cost increases and relatively stable green scheme costs. Draft pricing increases for the three regulated suppliers are as follows:

- 4.3% for EnergyAustralia customers
- 3.1% for Origin Energy (Endeavour Energy) customers and
- 0.5% for Origin Energy (Essential Energy) customers.

IPART's draft decision on regulated retail gas prices allows for an average increase of between of 5.5% and 9.2% in the different gas supply areas of NSW. IPART noted that these price changes are driven by increases in network costs, retail costs and carbon costs.

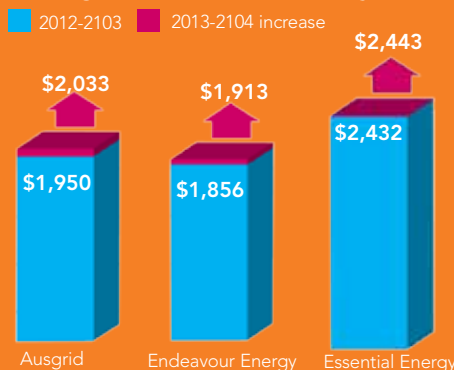
For more pricing information, visit: www.ipart.nsw.gov.au

REBATES AND EAPA

The value of EAPA vouchers will increase from \$30 to \$50 from 1 July this year. Changes to some rebates will also come into effect. The Medical Energy Rebate will increase from \$215 to \$235 a year, while the Low Income Household Rebate will increase from \$215 per year to \$225 per year and will now be extended to eligible residents of retirement villages from 1 July 2013.

For further information on rebates and payment assistance, visit ewon.com.au

Average household electricity bill



NECF INTRODUCTION

The National Energy Customer Framework, which is intended to harmonise consumer protections across the states, comes into effect in NSW on 1 July 2013. Some of the NECF requirements were introduced as of 1 July 2012, but some of the further changes include:

- Explicit informed consent will now be required for all energy contracts
- Where a transfer is made in error, the retailer in error is not allowed to bill the customer for any usage.
- There will be a shortened collection cycle for customers who are late paying two consecutive bills
- The threshold for a business customer to be considered a small customer is reduced from 160MWh/year to 100MWh/year
- New guidelines provide protections to customers of exempt retailers as close as possible to protections for other customers.

Doors close on door to door energy marketing

IN FEBRUARY 2013, energy retailers EnergyAustralia and AGL announced their decision to end door to door energy marketing, citing negative consumer feedback about the practice as the driver for this change in their selling strategy.

In 2011, around 1 million of 1.3 million door to door sales related to energy services. The problems consumers have experienced with some energy marketers have been raised repeatedly in the media; they are reflected in the complaints received by EWON about misleading, inappropriate and pressured door to door marketing practices; and they have prompted the ACCC's national project to reduce unlawful conduct by door to door marketers through enforcement activity.

In conjunction with this activity, the ACCC has launched the 'Knock! Knock! Who's there?' campaign to educate consumers about their rights and improve their confidence when dealing with door to door salespeople. Key messages address how and when marketers can approach, what information they must provide and the consumer's right to change their mind.

Campaign materials available include a 'Do Not Knock' sticker, videos and a brochure available in 14 languages. The campaign also incorporates a focus on empowering disadvantaged and vulnerable consumers to assert their rights.

For more information, visit www.accc.gov.au/doortodoor



“I could have avoided this if the retailer had just advised me earlier.”

Customer



CASE STUDIES:

Transfer issues

As the retail energy market has become more competitive, we have seen a rise in the number of transfer-related complaints. Typically, these occur when an administrative error leads to the wrong account being transferred to another supplier, sometimes leading to disconnection; when a transfer is delayed; when the contract terms are disputed; or when a transfer is made without the account holder's consent as a result of misleading or inappropriate marketing. The following case studies show some examples of common transfer-related problems that consumers have reported to EWON and how these particular cases were resolved.

Customer disconnected for five days when account was transferred in error

When Miles discovered his electricity had been disconnected, he decided to ride his bike to his mother's home. But on the way he was involved in an accident and spent the night in hospital where he underwent surgery. Two days later, when Miles had gone to his mother's place to recover, he called his retailer about the disconnection. They advised him that his account had in fact been transferred to another supplier.

Miles' mother, Daria, then spoke with the new retailer, who said they had mistakenly entered Miles' unit number and transferred him in error some months earlier. They said they would reconnect Miles' supply that day and would call back to follow up. When neither happened, Daria called EWON for assistance.

Some delays with reconnection meant Miles' unit remained disconnected for five days. During this time, he was staying with his mother and recovering from his accident. Daria explained that

he wanted compensation for food spoilage and for the inconvenience caused by the retailer's error. The retailer agreed to pay Miles \$453 to cover his food loss and said they would not bill him the \$170 owing for usage in the period before the retrospective transfer they made back to his previous retailer, who would bill him from then on.

Daria responded that this was not sufficient compensation for the inconvenience. EWON negotiated with the retailer who agreed to make a further goodwill gesture of \$580. Miles accepted the offer and the matter was resolved.

Customer disputes charges for closing account when contract terms change

Liang opened an account with a new retailer for supply on a peak-period only plan. Within a couple of days he received a letter confirming that the supply would commence in a few days. But several weeks later, the retailer advised him that they would be charging him on a different plan as his meter is not the type that the initial plan is based on.

Liang decided instead to transfer to another supplier who could offer the service he was after and he then received an early termination fee. Liang paid this fee, but he considered it unfair as he would not have signed up for the plan if the retailer had informed him they weren't able to offer the plan he wanted. Liang wanted to be refunded the fee and he complained to EWON that he had not heard back from the retailer when he tried to raise this with them. EWON spoke to retailer, who agreed this request was reasonable and confirmed that the fee would be refunded to Liang.

Transfer delayed for months

Callum had been trying unsuccessfully to get his electricity account transferred to a new retailer. He was told that the transfer was delayed because the meter is inside his home and that without an actual final read the transfer could not go ahead,

so he arranged a special meter read. Callum took the day off work to let the reader into the premises and the reading was taken, but something went wrong and the transfer still did not go through.

By now Callum was also concerned because he hadn't received a bill for over five months and he worried about how high the charges would be by the time he received a bill. Callum contacted EWON for assistance.

We discussed Callum's case with his intended retailer. They confirmed that the reading had been recorded but that the service order for transfer had failed. They followed up the service order and were able to complete the transfer, effective from the date of the actual reading. Callum was pleased to finally have an account with his preferred supplier and we advised him that when his bill arrived he would have time to pay equal to the delay.

Transfer made without consent

Sadanah doesn't speak English and was not the energy account holder in her household, but when a door to door marketer came to her home she signed up to a dual fuel contract. Her husband Ahmad came home in time to realise what had happened and he caught up with the marketer. He explained that they did not consent to the transfer and the marketer said it would be cancelled.

But after some time, Sadanah received a bill from the retailer the door to door marketer represented. She and Ahmad rang the supplier to explain the situation and were advised the account would be transferred back. But Sadanah continued to receive bills and then received one with an early termination fee. Ahmad came to EWON for help.

EWON spoke with the retailer, who advised that there was no record of the customer making contact to cancel the transfer. There was \$466 owing on the account, including an early termination fee. The retailer transferred the electricity and gas accounts back to the previous suppliers and offered to waive the final bill.

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Complaint statistics



25% RISE IN DEBT COLLECTION & CREDIT LISTING COMPLAINTS

Debt collection and credit listing issues continue to affect consumers and in this latest reporting period. EWON recorded a further 25% increase in related complaints, following a 30% increase in the previous 6 months.

These complaints are indicators of the underlying affordability challenges many energy customers are facing — challenges EWON is working to see addressed through practical solutions at a national level and in partnership between all key stakeholders. See www.ewon.com.au and our next issue of EWONews for a report on the National Energy Affordability Forum in April this year and its outcomes.

CASES CONCERNING HIGH BILLS & DISPUTED ACCOUNTS UP BY 45%

As power prices and consumer expectations of energy and water services have risen, customers are more focused on their energy bills and they are more likely to query a bill if it seems high. The corresponding growth in complaints to EWON about high bills and disputed accounts has also increased as more customers take up market offers, which can create confusion around discounts and how they apply to the components of a bill.

Overview of complaints:

EWON has experienced another round of increases in complaints in this reporting period. Complaints were up 23% on the previous six months, in line with our forecast for continued growth in complaint numbers through 2012–2013.

1 October 2012 – 31 March 2013

From October 2012 to March 2013, EWON finalised 18,140 cases, representing a further 23% increase from the previous 6 month period. Electricity complaints dominated even more strongly in this period (82%, up from 74%), while gas and dual fuel complaints increased slightly and water complaints dropped 10%.

There were large increases in billing complaints, with high bills or disputed accounts and billing delays rising by 45% and 50% respectively. We were also concerned to see affordability-related complaints continue to rise along with transfer-related issues concerning problems with contract terms and site ownership and transfer without consent.

SNAPSHOT OF CUSTOMER ISSUES 1 OCTOBER 2012 – 31 MARCH 2013

	April 2012– Sept 2012	Oct 2012– March 2013	% change
Billing			
High bill or disputed account	2713	3932	+45%
Tariff	1628	1585	–3%
Error	828	1117	+35%
Opening/closing account	826	1112	+35%
Billing delay	697	1044	+50%
Credit			
Arrears or utility debt	1262	1414	+12%
Debt collection or credit listing	1012	1267	+25%
Facing disconnection for non-payment	960	1033	+8%
Disconnected due to non-payment	598	637	+7%
Denied an extension or payment plan	262	357	+37%
Marketing			
Misled by marketers	661	630	–5%
Pressured into signing or agreeing to a contract	277	235	–15%
Non-account holder approached for consent	126	120	–5%
Transfer			
Problems with the contract terms (variation in price, termination fee)	1139	1452	+27%
Site ownership or disconnection in error due to transfer	711	896	+26%
Did not consent to the transfer	668	892	+34%
Transferred in error	428	462	+8%

SNAPSHOT OF COMPLAINTS

1 OCTOBER 2012 – 31 MARCH 2013

Overall	Total complaints closed	18140
Customers	Residential customers	17243 (95%)
	Small business customers	768 (4%)
	Living in public housing*	394 (2%)
	Receiving pension/benefits*	2632 (15%)
	Aboriginal or Torres Strait Islander customers*	41 (<1%)
	Culturally and linguistically diverse customers*	309 (2%)

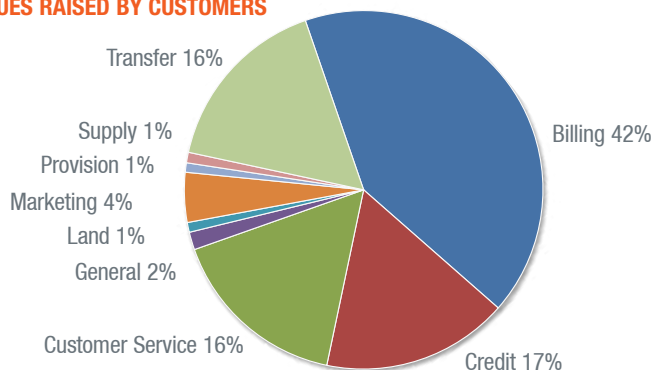
*EWON does not routinely collect demographic information, however, it is recorded if offered by the customer.

COMPLAINTS BY INDUSTRY

Industry	Provider type	April 2012-Sept 2012	Oct 2012-March 2013	% change
Electricity	Retailer	10992	14054	+28%
	Distributor	623	613	-2%
	Exempt Retailer	65	41	-37%
	Other*	248	263	+6%
Gas	Retailer	1645	1850	+13%
	Distributor	67	46	-31%
	Exempt Retailer	1	0	-100%
	Other*	12	8	-33%
Dual Fuel	Retailer	565	725	+28%
	Other*	1	3	+200%
Non-energy/non-water	Retailer	2	0	-100%
	Other*	41	54	+32%
Water	Retailer	371	357	-4%
	Distributor	146	113	-23%
	Exempt Retailer	2	0	-100%
	Other*	15	13	-13%
Total		14796	18140	+23%

*Non provider specific, out of jurisdiction

ALL ISSUES RAISED BY CUSTOMERS



HOW WE CATEGORISE COMPLAINT ISSUES

Note: there may be more than one issue raised per complaint

Billing – high and disputed bills, fees and charges, responsibility for accounts

Credit – disconnection, arrears, difficulty in payment, payment arrangement declined, debt collection

Customer service – failure to respond, incorrect advice, poor attitude/service

Marketing – conduct by marketers, misleading information, pressure, non-account holder signed up

Provision – problems with new or existing connections

Supply – quality, damage/loss, outages

Transfer – error in billing or transfer of account due to switching retailers, contract terms, delay in transfer, site ownership

Land – impact of network assets, maintenance, environment

General – non-energy/non-water related, contractors

COMPLAINTS BY COMPANY*

1 OCTOBER 2012 – 31 MARCH 2013

LEGEND: NSW RETAIL CUSTOMER BANDWIDTH

- Above 1 million customers
- 500,001 to 1 million customers
- 100,000 to 500,000 customers
- under 100,000 customers

Energy Retailers	No. complaints
ActewAGL	180
AGL	3673
Aurora Energy	2
Australian Power & Gas	787
Country Energy	899
Dodo Power & Gas	87
EnergyAustralia*	4652
Jackgreen (suspended from market)	57
Lumo Energy	507
Momentum Energy	28
Origin Energy*	5173
Powerdirect	65
QEnergy	5
Red Energy	179
Sanctuary Energy	139
Simply Energy	6

Energy Distributors	No. complaints
Ausgrid	271
Endeavour Energy	167
Essential Energy	163
Jemena	44
TransGrid	2

Water Distributors/Retailers	No. complaints
Essential Energy**	4
Gosford City Council	15
Hunter Water	61
Shoalhaven Water	10
State Water	7
Sydney Water	324
Veolia Water Solutions & Technologies	1
Wyong Shire Council	11

There were no complaints received about ActewAGL Gas Distribution, Albury Gas Company, APT Allgas, AquaNet, Central Ranges Pipeline, Diamond Energy, Envestra NSW, GoEnergy, Sydney Desalination Plant, Water Factory Company or WINenergy.

* Complaint data for TRUenergy has been rolled into EnergyAustralia here and Integral Energy complaint data has been rolled into Origin Energy.

**Essential Energy is a water provider for Broken Hill customers only.

EWON's recent outreach activities OUT AND ABOUT ACROSS SYDNEY & NSW

EWON's busy outreach calendar has seen our outreach staff connecting with community workers, consumers and small businesses around NSW. During this quarter we held stalls at major Sydney cultural events including Yabun Festival and Mardi Gras Fair Day, and shared a marquee with other ombudsmen and complaint handling services on Seniors Days at the Sydney Royal Easter Show. EWON has also held joint forums for consumer representatives and small businesses with NSW Fair Trading, and shared community forums with the Cooperative Legal Services Delivery, Legal Aid, LawAccess and ASIC. These shared events are a time-efficient opportunity for busy community workers to hear information from a number of agencies at the one forum.

Our staff valued the opportunity to meet directly with community members through presentations to seniors groups, women's groups and culturally and linguistically diverse groups. With the help of interpreters in Chinese, Khmer, Arabic, Maltese, Nepalese, Dinka and Juba Arabic languages, EWON's Community Development Officer, Narelle Brown, was able to present on important energy and water consumer issues to culturally diverse audiences in Sutherland, Blacktown, Auburn, Cabramatta and Newtown.

To increase awareness of EWON among small business, our Ombudsman also presented to small business advisors at the Small Business Commissioner's office.

EWON's Aboriginal Project Officer, Tracey Duncan, travelled to Aboriginal communities in regions including far north NSW, central west NSW, the Blue Mountains and western Sydney. Many consumers we met reported problems with managing high arrears and energy marketing.

A number of tenants in more remote communities also reported very high bills due to having to use heating and cooling around the clock in the summer and winter months because of the poor standard of insulation in their homes. EWON is aware of the challenges faced by consumers living in rental housing, where they have only limited control over the energy efficiency of their home. We are working to advance the issue through consultation with government and industry stakeholders.

Meet EWON on outreach

EVENT LISTING

Do you want to meet EWON at an outreach event? You can now access an online listing of upcoming events EWON will be hosting and/or attending at www.ewon.com.au.

BOOK EWON FOR YOUR EVENT

Would you like to organise for EWON to participate in a community event or initiative or to give a presentation? If so, please contact Narelle, our Community Development Officer, at narelleb@ewon.com.au or contact Tracey, our Aboriginal Project Officer, at traceyd@ewon.com.au.



EWON'S NARELLE BROWN WITH CHINESE SENIORS GROUP IN NEWTOWN



EWON STALL AT MARDIS GRAS FAIR DAY



DINKA INTERPRETER DANIEL TALKS WITH SUDANESE WOMEN AT AN EWON OUTREACH EVENT IN AUBURN

EWON Consultative Council introduces standardised authority to act

IN NOVEMBER 2012 EWON held its inaugural Consultative Council meeting. The Council brings together consumer and small business representatives as well as industry members to consult with EWON, providing updates and perspectives that contribute to EWON's forward planning.

One of the issues raised in the meeting was the difficulty that community welfare agencies face with having their authority to act on behalf of clients recognised by energy and water providers.

Without a standard form or a consistent set of requirements for making an 'authority to act' application to various energy and water suppliers, community workers noted that they are sometimes having to provide personal information, such as their own date of birth, and individual contact details.

This seems unnecessary and it is often incompatible with the operational realities of their agencies, where several workers may be assisting a client.

In response to this important practical concern, EWON has liaised with community agencies and retailers to develop a consistent protocol to manage client authorities where verbal authority of the customer is not possible.

The new authority form has been created as an agency authority and is not specific to an individual community worker. It can be customised to include the agency's own logo and it lists the relevant contact information and submission details for each of EWON's members.

Download the new A2A form from www.ewon.com.au

EWON CONSULTATIVE COUNCIL MEETING



GETTING DOWN TO SMALL BUSINESS

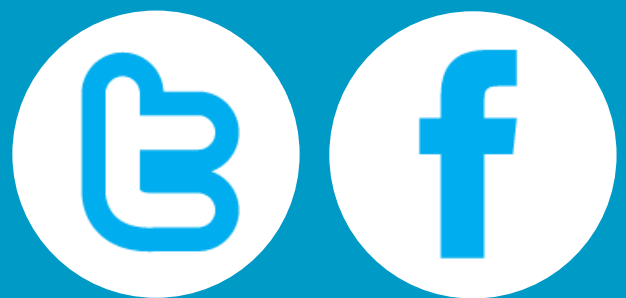
EWON has been working to raise awareness among small business owners across NSW that they can access EWON's free assistance to resolve energy and water complaints.

EWON defines a small business as having 20 or fewer employees, even if their energy consumption is too large to qualify them as a small retail customer under the Regulation. (As of 1 July 2013, the power usage threshold defining small retail customers will reduce from 160MWh/year to 100MWh/year.)

We have also published a new factsheet for small business owners available at www.ewon.com.au. It contains important information about the rights and responsibilities of businesses and suppliers, contracts, water and energy saving, managing payments, and energy marketing. It also provides practical information about energy efficiency and how to access funding for improvements.

Throughout the year, EWON will be holding small business forums across NSW in partnership with Law Access, ASIC and NSW Fair Trading. To find out about a forum near you, see our event listing at www.ewon.com.au.

Download the small business factsheet at www.ewon.com.au



Connect with EWON

For the latest news, tips, and links to resources for energy and water consumers, follow EWON on Twitter and like us on Facebook. If you have a comment, perspective or information to share, we'd also like to hear from you.

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