

**The newsletter of the Energy & Water Ombudsman NSW**

## Ombudsman's Note

EWON's Annual Report for 2000-2001 shows that the number of customer contacts continues to increase, and that billing, supply, and customer service issues continue to be the most significant issues for customers.

Over recent years we have been concerned to see a steady increase in the numbers of disconnections of electricity. However, we understand that this trend may have been reversed during 2000-2001, and look forward to the annual report of the Independent Pricing and Regulatory Tribunal for more information on disconnection rates for New South Wales electricity providers.

Even though unrequested disconnection of power is a major problem for those people still affected, I believe that any drop in overall numbers reflects the greater availability of flexible payment options for customers. Energy providers realise that they need to work closely with customers who have difficulty paying their bills to help them identify the most convenient and manageable payment arrangements for their financial and family situation.

This approach will be even more important in the context of full retail competition for all electricity and gas customers in New South Wales. Careful attention to billing by providers and customers alike is now even more important.

A handwritten signature in black ink, reading 'Clare Petre'.

Energy & Water Ombudsman NSW

## What's inside?

### Energy Competition

*A special report on the start of full retail electricity and gas competition in NSW*

### Launching the 2000-2001 Annual Report

*and opening new office space*



*The Energy & Water Ombudsman NSW and the Council Chairperson officially open the new offices*

### Electricity Accounts Payment Assistance (EAPA)

*a NSW Government funded scheme for people experiencing financial difficulties*

### In the Community...

*EWON continues to build relationships with community organisations*

# EWON in the community...

EWON has continued to participate in community events and visit community groups, advocates and support agencies throughout NSW.

To build strong relationships with referral bodies, we have arranged speaking engagements and visits with Government Departments, Local Members, Social Workers and other support organisations in regional centres.

This year, we look forward to increasing our visits within NSW and our contacts with workers within the Chinese, Arabic, Vietnamese and Italian-speaking communities.



EWON staff at Lake George

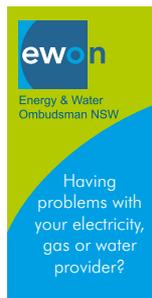


Western Sydney Water Festival

## Visits have included...

- ✓ St George Migrant Information day
- ✓ Western Sydney Water Festival and Carnivale
- ✓ Westfield Liverpool promotional stall
- ✓ Kempsey Koori Interagency
- ✓ Neighbourhood Community Centres Annual Conference
- ✓ Port Macquarie community visit
- ✓ Queanbeyan community visit

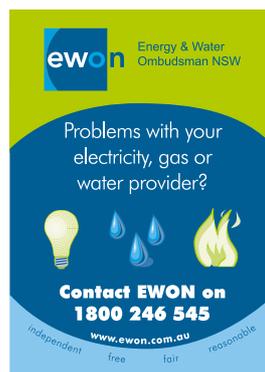
## our new promotional material



EWON has reviewed all its promotional material. Information on EWON is now included in two new brochures, one to introduce our services, and another to explain our investigation processes. These two brochures are available in English, Arabic, Chinese, Greek, Italian, Spanish and Vietnamese.

We have also redesigned our promotional material to be easily recognisable. EWON stress balls, fridge magnets and posters are aimed at raising our profile among people who need our service and agencies who wish to refer people to us.

If you would like to receive any of our new promotional material, please contact our Communication Officer, Anthony Fisk on (02) 8218-5206.



## Case Study: Cold showers

When Mr S asked for gas to his new home he was assured that the connection would be available in mid-September. Mr S arranged to move into his new house four weeks after this agreed date.

Before moving in, Mrs S called the provider to ensure that the service was available. After first being mistakenly told that there was no gas supply in her street, Mrs S was told that the gas connection was more than 4 weeks overdue but that it would definitely be connected the following Monday.

When Mr S contacted EWON on Monday, he still had no gas and the provider was asking him to wait another two days. Mr S was very distressed as the gas hot water service was not functioning and there was no way for the parents to bath their six children.

EWON immediately contacted the provider who guaranteed connection for the next day, and agreed to provide bottled gas for the family's hot water service that evening. By 1 pm the next day, the gas was connected to the home and the provider had offered to waive the connection fee as a customer service gesture.



Energy & Water  
Ombudsman NSW

# Choosing your energy supplier don't get **Burnt!**

From 1 January 2002 households and small businesses are now able to choose where they buy their energy. This initiative of the NSW Government aims to allow all electricity and gas customers to compare prices and services when shopping around for a better deal.

You can do one of the following:

- « stay with your current energy retailer,
- « ask your current energy retailer about any deals they may be offering to keep you as a customer,
- « change retailers, or
- « wait and see before making a decision.

If you choose to stay with your current electricity or gas retailer you will continue to pay independently regulated prices. To stay, simply do nothing.

If you choose to shop around you might find a deal that is more attractive. Before making a decision to change, try to get as much information as you can, including the information which must be given to you by any prospective energy retailer. Read any proposed contract carefully and if in doubt - ask.

You should be aware that if you change, you are only changing your retailer (the company which sells you energy and bills you for it). You will not be changing your network provider (the company which delivers energy to you through the existing poles and wires or pipes).

## Government releases information campaign:

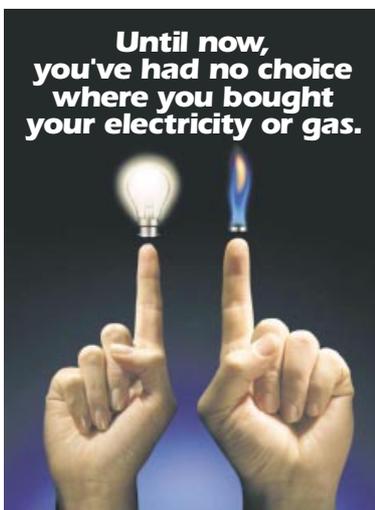
### “CHANGE OR STAY, YOU’LL BE OK”

On 5 December 2001, the Minister for Energy, Kim Yeadon unveiled an education plan targeting the state’s 2.5 million households now able to choose their electricity and gas retailer. At the launch, Minister Yeadon urged

“every customer to look carefully at what is offered by all the companies...there is no need to rush out and sign up to the first deal on offer.”

As well as advertising in print, radio, television and ethnic media, a detailed question and answer booklet will be sent to every household in NSW.

Further information on the new competitive energy market is available on the internet at: [www.nsw.gov.au/electricity](http://www.nsw.gov.au/electricity), or call the information line on 1800 671 650.



# Experiences of energy competition



Electricity market reform was introduced gradually in the United Kingdom, commencing with the 1989 Electricity Act and ending with full energy market competition in June 1999. Since this time, the amount of resources directed towards administering the regulatory system has progressively increased.

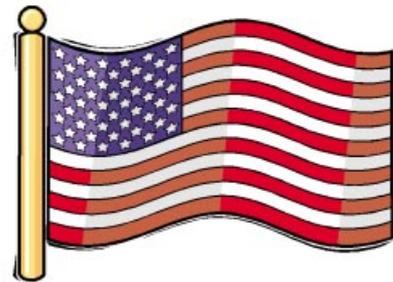
The case study below was documented by *energywatch*, a consumer body with responsibility for complaints handling. *energywatch* was launched in November 2000.



Mr K had both his electricity and gas provided by Diamond Energy. In July 2000 he decided to sign up with Ruby Energy for his electricity and leave his gas with Diamond.

A month later, Mr K was surprised to receive a closing gas bill from Diamond Energy. When he rang, he was told that the letter was a mistake and the periodical payments he was making were still covering his gas bill. As such, he ignored a subsequent gas bill from Ruby Energy.

In January 2001, Mr K received a gas disconnection notice from Ruby Energy. He contacted energywatch and asked them to look into the matter. They discovered that Diamond Energy had taken his monthly gas payments but had left his account with Ruby Energy. It was not until energywatch intervened that Mr K was transferred back to Diamond Energy, the disconnection threat lifted and the money paid credited to his account.



The first state in the U.S. to emulate the British in electricity market reforms was California. The competitive market was launched in one step in 1998. Media reports since this time have focused on problems of power shortages and financial crisis in the industry.

As in the Australian model, power had been provided to homes in each area by a single monopoly electricity provider (these providers were private companies in the US). Now, customers can purchase electricity from any 'electric service provider' (ESP) they choose.

According to the San Francisco-based *Consumer Action*, there has only been only limited participation in the new contract system. Competition in California has largely been in the area of renewable or green energy.



Although small customers are now able to choose their energy provider, energy competition for the largest business customers commenced in 1996 and has been progressively rolled out to smaller customers since this time. EWON will document customer experiences of competition in the coming months, and provide these in future editions of our newsletter.

# What are EAPA vouchers?

...and where do they come from?

## Case Study:

### No electricity for new baby

Ms C was disconnected for not paying 2 bills, totaling \$235. She contacted the provider who said she needed to pay half to be reconnected.

By the time Ms C contacted EWON, she had been without power for 2 months and was due to have her third child shortly. She had no money, but wanted to make a payment arrangement.

EWON reviewed power usage with Ms C and calculated that her costs for electricity were only about \$10 per week. Ms C advised that she could afford to pay \$25 per week towards the electricity account, which would cover her current usage and reduce her arrears.

Once EWON contacted the provider, they agreed to reconnect Ms C if she organised weekly \$25 deductions from her Centrelink payment. The provider also identified that Ms C was not receiving the pensioner rebate she was entitled to, and agreed to backdate this immediately.

EAPA is the NSW Government's Energy Accounts Payment Assistance program. It is designed to help financially disadvantaged people who are having difficulty paying their electricity bill.

The Department of Community Services (DoCS) is responsible for administering the EAPA program. However, community organisations deliver the \$30 vouchers so that an individual's needs can be assessed locally at the time the assistance is required.

EAPA is delivered to community organisations every two months according to the area's socio-economic factors and previous year's EAPA usage. Nevertheless, EWON understands that many agencies frequently run out of voucher books, particularly at the end of the two-month cycle.

As a member of the EAPA working group, EWON is very interested in ensuring the program remains effective and responsive to the needs of the community. EWON is concerned about factors that impinge on EAPA vouchers reaching some people in need, for example:

- electricity providers disconnecting customers on an area-by-area basis without prior notice to community agencies and DoCS. In some instances, the local community agency is swamped with requests for EAPA assistance and there are not enough vouchers to meet the need. EWON is taking up this issue with its member providers.

- some community agencies not returning unused EAPA books to their head office or DoCS so that they can be reallocated to other agencies that have run short

- difficulties faced by customers in remote areas or customers with mobility problems in getting to an EAPA agency for assistance.

EWON suggests that community groups experiencing problems with the EAPA program, including insufficient vouchers, should contact their head office and/or DoCS in the first instance. EWON is interested in any feedback about the EAPA scheme.

## Case Study: Pipes of Gold

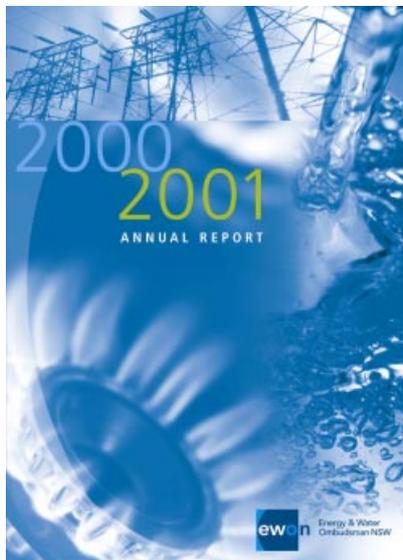
Mr D was alarmed to arrive home and find that instead of laying pipes along his fence line as agreed, his water provider had started digging more trenches on the opposite side of his yard. When he contacted the provider, they said that because Mr D's yard was paved, it was too expensive for them to dig up and relay the pavers. Instead, they had started to lay the pipes under the house.

Mr D contacted EWON to complain that he had not been consulted about placing the pipes under his house. He was concerned that whenever there was a problem in the future, the provider would have difficulty accessing the pipes under his home. Mr D was also dissatisfied with the quality of the work, as the pipes were being laid very close to the surface.

EWON contacted the provider who agreed to continue laying the pipes along the original route, and to remove and replace the pavers where necessary. The provider also suggested that the pipes be covered in a plastic conduit so the pavers would not have to be removed to allow access to the pipe in the future. Mr D was very happy with this outcome.



# Annual Report 2000-2001



The 2000-2001 Annual Report for the Energy & Water Ombudsman NSW is now available.

The report contains information on the activities of EWON and case studies of note during the year. For the first time the report also provides a breakdown of matters on a provider by provider basis.

For an electronic copy of the report visit our website at: [www.ewon.com.au](http://www.ewon.com.au) or contact us on 1800 246 545 for a hard copy.

## Changes to Pensioner Rebates

About 630,000 NSW pensioners will receive increased rebates on their electricity & gas bills under a scheme that will standardise the rebate at \$112 a year. The new energy concession, due to commence on 1 January 2002, will be paid through electricity bills and will no longer appear on gas bills.

The eligibility criteria for the rebate have also been widened to include holders of a Centrelink Pensioner Concession Card or Veterans Affairs Gold Card who have the electricity account in their name. The previous means test has been lifted.

Customers should contact their electricity provider for further information.

## Contact us...

**Freecall** 1800 246 545

**Freefax** 1800 812 291

**Email** [omb@ewon.com.au](mailto:omb@ewon.com.au)

**Mail** PO Box K1343  
Haymarket 1240

**Web** [www.ewon.com.au](http://www.ewon.com.au)

## Rosemary's Tip



### Moving house? then check out those bills

*"First energy bills at a new address can sometimes come as an unpleasant shock.*

*Try to avoid any unexpected high bills by finding out before you move in about the appliances that come with your new house or flat. Cheaper rents can often be eaten away by a large or inefficient electric hot water service, particularly if it is not connected to an off-peak meter. So ask your agent about the fixed appliances then check the running costs you should expect to pay for these.*

*Your energy provider should be able to assist you with information on running costs of different appliances. Or visit the energy audit on the EWON website at [www.ewon.com.au](http://www.ewon.com.au).*

*Because if you don't know what you've got, you may not know what it's costing you".*