

# energy industry ombudsman

# omb uds man

An independent body established to investigate  
and resolve disputes between customers and  
electricity and gas companies in South Australia.

ANNUAL REPORT **09**



Energy Industry  
Ombudsman SA



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Energy Industry  
Ombudsman SA

ANNUAL REPORT **09**

# 2008-09 SNAPSHOT

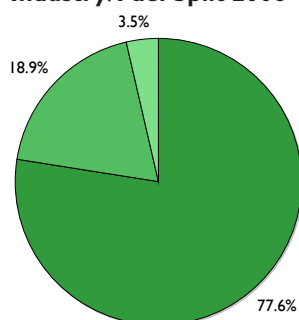
## CASES RECEIVED

Energy Industry Ombudsman (SA) Ltd (EIOSA) received 8,608 cases in 2008-09 compared to 5,293 in 2007-08, an increase of 62.6 per cent.

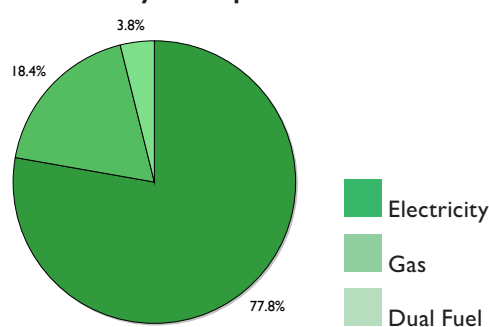
### Case Issue Types

	2007-2008		2008-2009		Difference	
Issues (Cases Received)	no.	%	no.	%	no.	% Change
Billing	2,122	40.1%	4,141	48.1%	2,019	95.1%
Competition	1,096	20.7%	1,202	14.0%	106	9.7%
Credit Management	672	12.7%	1,232	14.3%	560	83.3%
Customer Service (Incl Privacy)	380	7.2%	603	7.0%	223	58.7%
General Enquiry	518	9.8%	670	7.8%	152	29.3%
Land	104	2.0%	84	1.0%	-20	-19.2%
Provision	267	5.0%	493	5.7%	226	84.6%
Supply Quality	134	2.5%	183	2.1%	49	36.6%
TOTAL	5,293	100.0%	8,608	100.0%	3,315	62.6%

Industry/Fuel Split 2008

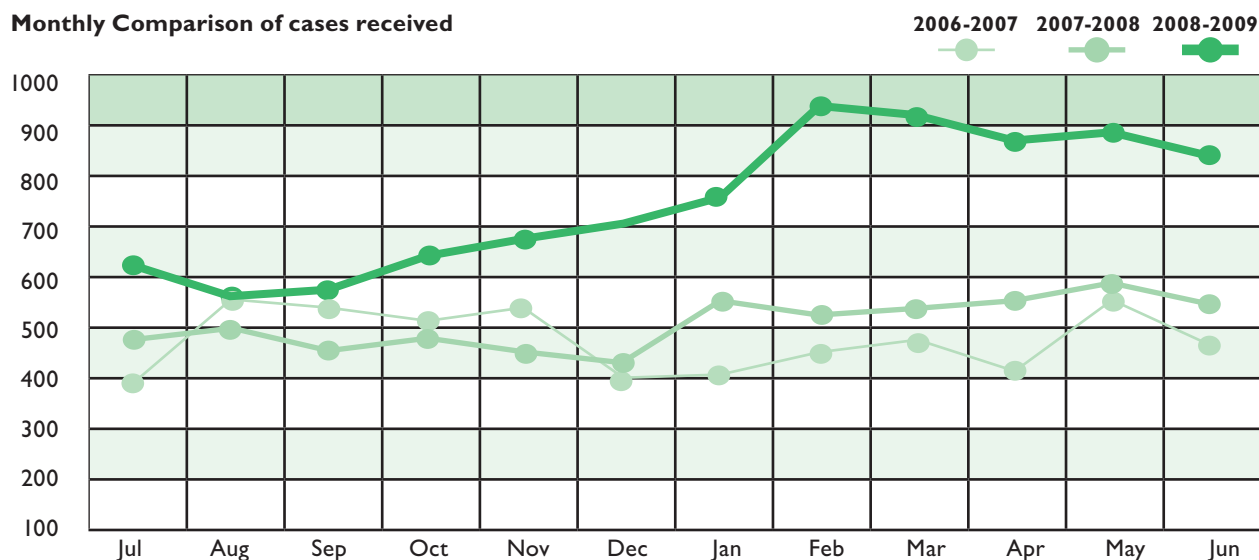


Industry/Fuel Split 2009



FUEL	2008	%	2009	%	Diff	% Change
Electricity	4106	77.6%	6702	77.8%	2596	63.2%
Gas	1002	18.9%	1581	18.4%	579	57.8%
Dual Fuel	185	3.5%	325	3.8%	140	75.7%
TOTAL	5293	100.0%	8608	100.0%	3315	62.6%

### Monthly Comparison of cases received



**LEVEL OF CONTACT****Enquiries**

2006-07	2007-08	2008-09
2,474	2,395	2,951

**Higher Level Referral**

2006-07	2007-08	2008-09
1,963	2,394	4,937

**Consultations**

2006-07	2007-08	2008-09
n/a*	241	463

**Investigations**

2006-07	2007-08	2008-09
409	263	257

**DESCRIPTION OF CASE LEVELS****Enquiries**

An enquiry is a request for information, rather than an expression of dissatisfaction. If a person with a complaint has not contacted the relevant energy company before contacting EIOSA, the contact will be recorded as an enquiry and the customer asked to contact the company's customer services section.

**Higher Level Referral**

If a complaint (expression of dissatisfaction) has been raised with an energy company's customer services area, then the matter will be referred by EIOSA to the company's higher level contact staff in an effort to resolve the matter.

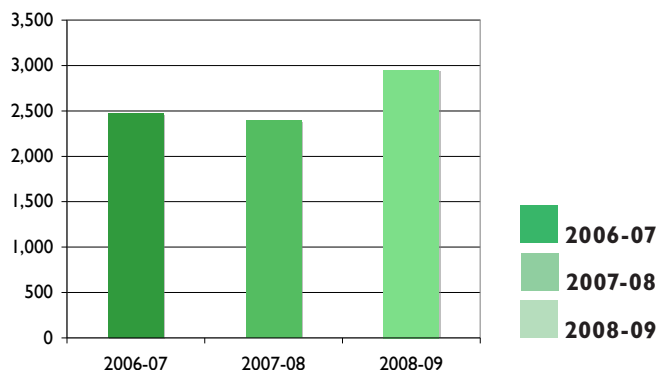
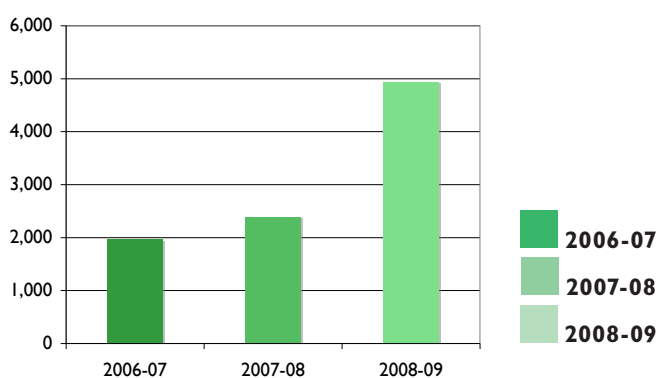
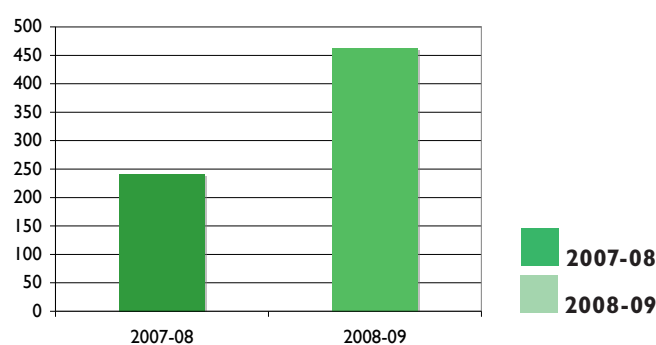
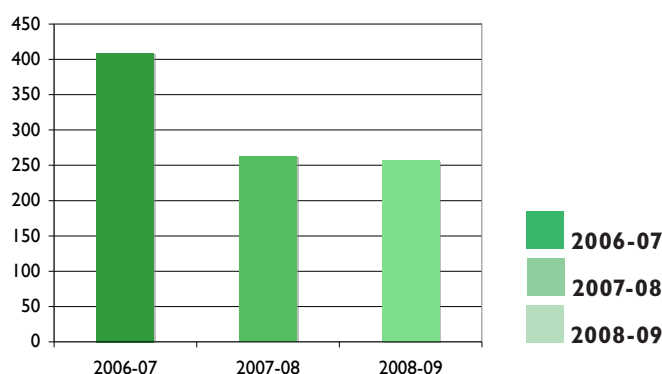
**Consultation**

A consultation complaint occurs when a customer is without a gas or electricity supply. Cases include customer disconnections (or when disconnection is imminent) for non-payment of accounts.

\*Before July 2007, all disconnections for non-payment of accounts were handled as investigations.

**Investigations**

If a complaint has been referred to a higher level contact in an energy company but remains unresolved, EIOSA will investigate and negotiate an outcome.

**Enquiries****Higher Level Referral****Consultations****Investigations**



# OUR ROLE

The Energy Industry Ombudsman (SA) Ltd (EIOSA) is an independent body established to investigate and resolve disputes between customers and electricity and gas companies in South Australia.

## MISSION STATEMENT

To facilitate the prompt resolution of complaints and disputes between consumers of electricity and gas services and members of the Scheme by providing a free, independent, accessible, fair and informal service to consumers.

## GUIDING PRINCIPLES

- We will deal with complaints in a fair, just, informal and expeditious manner.
- We will act independently while maintaining good working relationships with members and other stakeholders.
- We will be accessible to electricity and gas consumers in SA and will ensure there are no barriers to access such as geographic location, language, physical or mental capability, or financial status.
- The service will be free to consumers.
- We will make effective use of technology to assist in quality complaint handling, referral and reporting.
- We will foster effective links with members, other complaint handling bodies, government agencies, and consumer and community organisations.

## WHAT WE DO

Customers can approach EIOSA about a range of matters including:

- connection, supply and sale of electricity and gas by a member company
- disconnection of supply
- billing disputes
- administration of credit and payment services
- security deposits
- the impact on land or other property of actions by a member company
- the conduct of member companies' employees, servants, officers, contractors or agents
- any other matters referred by a member company by agreement with the Ombudsman and the person/s affected.

Generally customer issues are resolved by negotiation. However, the Ombudsman may resolve a complaint by making a determination that is binding on the member company, including by:

- directing the company to provide electricity or gas services
- directing the company to amend, or not impose, a charge for a service
- directing the company to supply goods or services that are the subject of the complaint or undertake any corrective action, or other work, to resolve the complaint
- directing a company to do, not to do, or cease doing an act
- making a determination that the company pay compensation to the complainant.

The Ombudsman can make determinations up to a value of \$20,000 or up to \$50,000 with the consent of the member company.

## WHAT WE DO NOT DO

The functions of EIOSA do not extend to areas such as:

- the setting of prices and tariffs
- commercial activities outside the scope of the member's licence
- the content of government policies, legislation, licences and codes
- matters before a court, tribunal or arbitrator
- customer contributions to the cost of capital works
- disputes between member companies.

## HOW WE DO IT

- We will generally require that customers take up their complaint with the electricity or gas provider in the first instance so that complaints can be resolved as quickly and as close to the source as possible, unless it is difficult for the customer to do so because of factors such as age, language or disability.
- Where we refer a customer back to their electricity or gas provider, we will ask them to contact us if they have not been able to resolve disputes directly and are not satisfied with the company's response.
- We will keep customers informed of the progress of our investigation.
- We will be as helpful as possible to people who contact the office, whether or not we are able to assist them directly. If we cannot help, we will try to find someone who can.
- We will provide interpreter, translator or other assistance to customers who have difficulties communicating with us.

# EIOSA MEMBERS

## Founding Electricity Members

AGL South Australia Pty Ltd  
ETSA Utilities  
ElectraNet Pty Ltd

## Joining Electricity Distributor Member

Murraylink Transmission Partnership

## Joining Electricity Retailer Members

AGL Sales (Queensland Electricity) Pty Ltd (formerly Ergon Energy)  
Aurora Energy Pty Ltd

Country Energy

Flinders Power Partnership

Jackgreen (International) Pty Ltd

Momentum Energy Pty Ltd

Origin Energy Electricity Ltd

Powerdirect Pty Ltd

Red Energy Pty Ltd

Simply Energy

South Australia Electricity Pty Ltd

TRUenergy

## Founding Gas Members

Origin Energy Retail Ltd  
Envestra Ltd

## Joining Gas Retailer Members

AGL South Australia Pty Ltd  
Simply Energy  
TRUenergy

# THE BOARD

The EIOSA Board comprises three industry directors elected by Scheme members, three consumer directors nominated by the Essential Service Commission of SA and an independent chairperson.

## Chairman

**Bill Cossey AM** (*appointed March 2009*)  
Semi-retired, formerly State Courts Administrator, Chair Savings and Loans Credit Union, Chair (ECH) Elderly Citizens Homes, Member Social Inclusion Board and Council Member University of South Australia

**Emeritus Professor Keith Hancock AO** (*term completed March 2009*) Formerly Senior Deputy President, Australian Industrial Relations Commission

## Directors

**Susan Filby** (*appointed 18 May 2006*)  
General Manager Services, ETSA Utilities

**Colleen Fitzpatrick** (*term completed March 2009*)  
Consumer Representative

**Peter Bicknell** (*appointed February 2009*)  
Chair, Uniting Care Australia, Uniting Care Wesley Port Adelaide, Council for the Care of Children and the Portway Housing Association

**Mark McCabe** (*resigned 25 February 2009*)  
General Manager, Customer Transaction Services, Origin Energy

**Barry McClure** (*term completed February 2009*)  
Member of SA Farmers Federation, Agribusiness Committee

**Kay Matthias** (*appointed February 2009*)  
General Manager, Rural Financial Counselling Service SA and Chair, Mid North Regional Development Board

**David McNeil** (*appointed 25 February 2008*)  
General Manager, Customer Operations, AGL Retail Energy Ltd

**Rodney Williams** (*appointed 24 October 2007*)  
Former Director, Competition Policy, SA Department of Premier and Cabinet

**Nazzareno La Gamba** (*appointed 29 April 2009*)  
Retail Executive Customer Care, Origin Energy

## COMPANY SECRETARY

**Pia Bentick-Owens, FCIS, Barrister (np)**



Bill Cossey



Sue Filby



Peter Bicknell



Kay Matthias



David McNeil



Rodney Williams



Nazzareno La Gamba



Pia Bentic-Owens



## CHAIRMAN'S REPORT



This is my first Chairman's report since I was appointed Chairman in March 2009, replacing Keith Hancock who retired at that time.

Keith had been Chairman for nine years and had wisely guided the Energy Industry Ombudsman Scheme in South Australia through its formative years. I am deeply indebted to Keith for the role he played in ensuring that the Scheme is so well regarded by both the general public and the companies that are members of the Scheme. I also record my sincere appreciation to Keith for the generosity of his advice and counsel in handing over the reins.

Because Keith was Chairman for most of 2008-09, the majority of the activity on which this annual report is based took place under Keith's leadership – so I have taken the liberty of ensuring that it accurately reflects Keith's views.

At the same time as I was appointed, several other changes in directorship were made. Long-standing community-based directors Colleen Fitzpatrick and Barry McClure retired after serving nine and six years respectively. On behalf of the Board I record my thanks to Colleen and Barry for their dedicated service. Mark McCabe resigned as an industry nominee at the same time because of an interstate transfer and was replaced by Nazzareno La Gamba. I thank Mark for his contribution and welcome Nazzareno to the Board.

Kay Matthias and Peter Bicknell were appointed as community-based directors in March 2009 and have already made significant contributions to our Board deliberations. I look forward to continuing to work with Kay, Peter and the other directors, particularly those nominated by industry, and thank all of them for their patience and understanding as I settle into the Chairman's role.

This has also been a continuing period of settling in for the Energy Ombudsman, Sandy Canale. Through his personal enthusiasm and professionalism, Sandy has overseen a significant increase in the community's understanding of the Scheme and a willingness to use it to reduce complaints. This was reflected in the results of a client survey conducted late in the year.

Just as importantly, Sandy has established relationships with the Scheme's members such that they respect his objective of ensuring that, whenever practicable, complaints are avoided – thereby limiting the workload of the Ombudsman's Office. I place on record my appreciation, and that of the Board, to Sandy and his staff for the way in which they have gone about their work throughout the year.

Late in the year the Board began discussions about the most effective approach to meeting its governance responsibilities. This is being considered in parallel with possible changes to the model of contributions from members – work that commenced before my appointment.

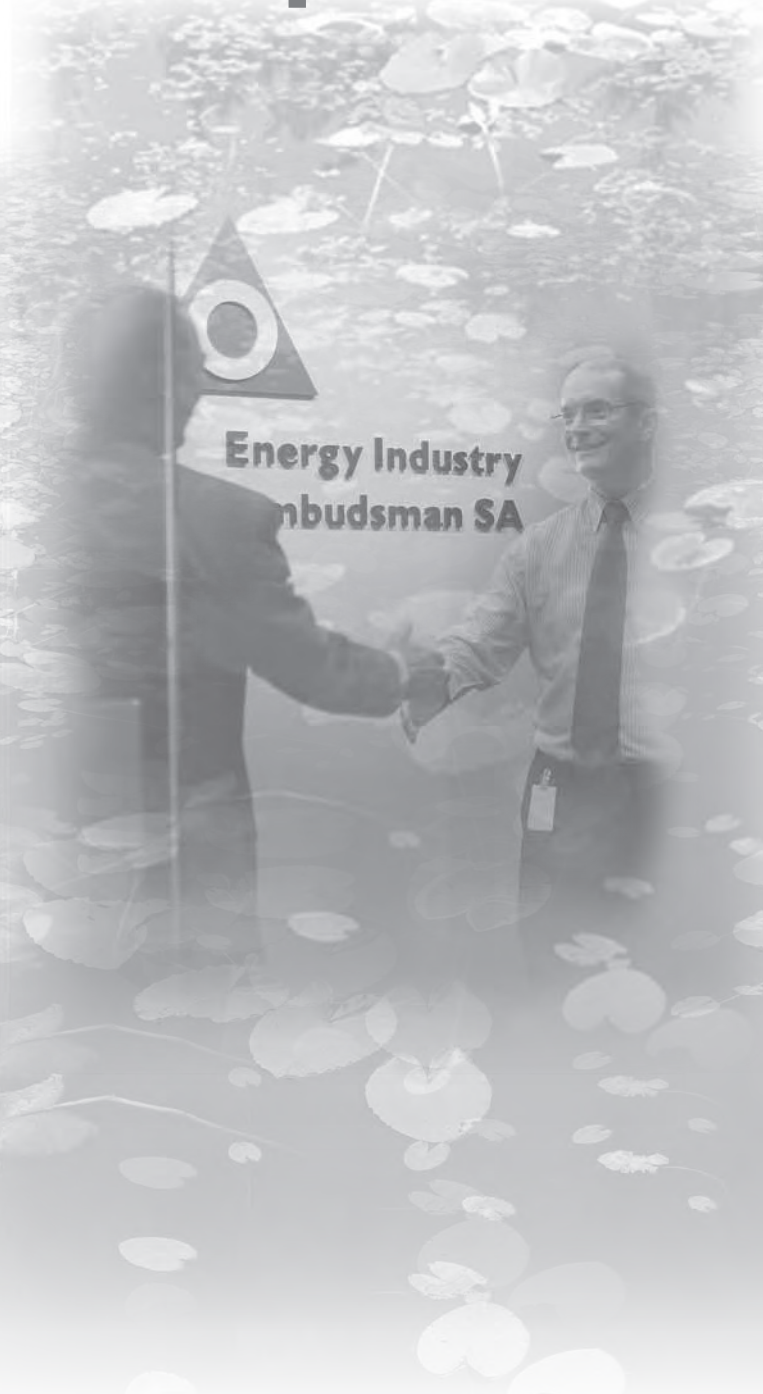
I look forward to excellent outcomes from both of these initiatives.

As Keith Hancock reported last year, the work of energy regulation is not a static one. National regulation is upon us and although no immediate changes to South Australia's Energy Industry Ombudsman Scheme are foreshadowed, the Board must remain vigilant in ensuring that South Australian consumers have their complaints managed appropriately.

Bill Cossey

Chairman

# independent



**Energy Industry  
ombudsman SA**

*While just over a third of cases to EIOSA were resolved or dealt with at the 'enquiry' level, the remainder required the office to refer complaints or concerns to higher level authorities within the energy companies, or required an independent investigation by EIOSA.*

# OMBUDSMAN'S REPORT



## ACTIVITY

Demand for EIOSA services increased substantially during 2008-09, with 8,608 new cases received, a 62.6 per cent increase over the previous year.

The increase was mainly driven by one retailer implementing a new billing system in November 2008. EIOSA has worked closely with the retailer to identify the issues and resolve matters efficiently and effectively for the affected consumers. Many of the matters raised by consumers with EIOSA should have been resolved by the provider without our intervention. I would urge any energy company embarking on a change program of this nature to clearly identify areas of potential impact to consumers and ensure that it is able to respond to issues in a timely fashion to minimise any inconvenience to consumers.

Increases were experienced in most categories of complaints, but particularly in the following categories:

- Billing (up 2,019 or 95.1 per cent);
- Credit Management (up 560 or 83.3 per cent);
- Customer Service (up 223 or 58.7 per cent); and
- Provision (up 226 or 84.6 percent).

The only main category to experience a decrease in complaints was 'Land' which was down 20 cases or 20.2%.

Detailed commentary and statistics can be found in the Case Management section on page 24.

The number of disconnection and imminent disconnection cases addressed by EIOSA increased from 297 in 2007-08 to 464 in 2008-09. While this is still a very small number relative to the number of energy consumers in South Australia, these cases are of importance and will continue to be closely monitored. Many of these consumers were accepted into the energy

retailer's hardship programs, which provide tailored and flexible payment arrangements and help reduce the number of disconnections.

Overall billing issues accounted for 48.1 per cent (4,141) of all cases received and continued to be the largest category of cases within the office, up from 40.1 per cent (2,122) last year.

The rise in the credit management category is attributed to three key issues: the introduction of security deposits by a retailer in a manner not consistent with the Energy Retail Code, consumers disputing liability for debts (often relating to previous addresses), and disconnections or imminent disconnections.

The provision category increase relates to delays in service connections or installation of metering equipment. A number of cases involved complaints about delays in the installation of import/export metering required with photovoltaic systems.

The rise in the customer service category reflects delays in customers obtaining complaint resolution in a timely manner or companies' failures to respond to matters satisfactorily.

While just over a third of cases to EIOSA were resolved or dealt with at the 'enquiry' level, the remainder required the office to refer complaints or concerns to higher level authorities within the energy companies, or required an independent investigation by EIOSA.

One of the benefits of a scheme like EIOSA is the knowledge base developed from the complaints raised by consumers. These issues help identify systemic problems and provide the energy companies with information to help improve their customer service performance. The systemic issues identified during 2008-09 are reported on page 13 and 15.

An increase of the magnitude experienced this year created significant challenges for the Scheme and a number of innovative approaches to case management were implemented with the appreciated support of members and EIOSA staff. These changes included the introduction of a facilitated consultation approach. The aim of this process is to negotiate a satisfactory outcome for a matter rather than conduct a more time-intensive investigation. Two additional staff members were also engaged during the year to assist with the increased demand. While these changes helped to ensure that cases were resolved within reasonable timeframes, resolution times increased from the previous year as some retailers took longer to handle matters referred by EIOSA to higher levels in the company.

(NOTE: the South Australian energy market comprises about 805,000 electricity customers and 378,000 gas customers potentially falling within the jurisdiction of the Scheme).



### NEW CHAIR APPOINTED

The inaugural independent chair of the EIOSA Board, Professor Keith Hancock AO, retired in March 2009 after nine years in the role. Professor Hancock made a significant contribution to the establishment and growth of the Scheme throughout that period, and was well regarded by all stakeholders.

Bill Cossey AM has succeeded Professor Hancock as the new Chair. Mr Cossey has had a distinguished career in the South Australian Public Service and has served, and continues to serve, on a number of boards and committees. I look forward to working with Mr Cossey in meeting the challenges that lie ahead for the Scheme.

### NATIONAL ENERGY CUSTOMER FRAMEWORK

Development of a single national framework for regulating the sale and supply of gas and electricity to retail customers has continued throughout the year. The key objectives for the creation of a national energy customer framework are to:

- streamline the regulation of energy distribution and retail regulation function in a national framework; and
- develop an efficient national retail energy market including appropriate consumer protection.

The first draft of the proposed National Energy Retail Law, National Energy Retail Regulation and National Energy Retail Rules was released for comment in April 2009. The second draft of the Law, Regulation and Rules is expected to be released in late 2009.

The Ministerial Council on Energy anticipates introducing the final legislative proposals into the South Australian Parliament (as lead Legislator) in late 2010.

EIOSA has participated in the consultation process by attending information forums and submitting comments on the proposals.

Under the proposed changes, energy ombudsman schemes such as EIOSA will remain state-based functions, with retailers and distributors still obligated to participate in the independent schemes.

### REVIEW OF THE EFFECTIVENESS OF ENERGY RETAIL MARKET COMPETITION IN SA

Following a request from the Ministerial Council on Energy, the Australian Energy Market Commission (AEMC) reviewed the effectiveness of gas and electricity retail market competition in South Australia.

In its First Final Report, published on 19 September 2008, the AEMC concluded that competition in both electricity and natural gas retailing is effective. In arriving at the

conclusion, the AEMC surveyed energy consumers and retailers, received submissions on issues relevant to the review, and undertook its own research on those issues.

The AEMC's Second Final Report, dealing with the framework for regulation of energy retail prices in South Australia, was published on 18 December 2008. It recommended that the current framework, under which electricity and gas standing contract prices are established by the Essential Services Commission of SA (ESCOSA), should be replaced by a price-monitoring and reporting framework administered by ESCOSA. The existing non-price consumer protection framework would continue.

The South Australia Government informed the AEMC in April 2009 that it would like to see less polarisation of stakeholder views on the level of effective competition in the state's energy market. The government pointed out that independent oversight of retail pricing is important at a time of major change, such as will occur with the carbon pollution reduction scheme, the expanded renewable energy target and the global financial crisis.

Accordingly, the South Australian Government has not accepted the AEMC's recommendations for the removal of price control.

### JANUARY-FEBRUARY HEATWAVE

Between 26 January and 3 February 2009, Adelaide experienced nine consecutive days during which the daily maximum temperature exceeded 35°C, and six successive days when the maximum temperature was greater than 40°C. The extreme heat led to record levels of electricity demand in South Australia, driven by domestic air conditioner use.

This demand on the system resulted in various outages on the ETSA Utilities' distribution network. A compounding factor was directed load-shedding by the operator of the National Electricity Market. About 158,000 consumers were affected by ETSA Utilities high and low voltage interruptions during the period and approximately 207,000 consumers were affected by load shedding.

Despite the extent of the outages, EIOSA received few customer complaints, indicating that ETSA Utilities generally managed customer issues effectively.

The Essential Services Commission of SA has released an Information Paper on the performance of ETSA Utilities during the heatwave. A copy can be found at [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au).

### SOLAR FEED-IN SCHEME

The Electricity (Feed-In Scheme Solar Systems) Amendment Act 2008 came into operation on 1 July 2008. Under the feed-in scheme, ETSA Utilities provides a credit of 44 cents for every kilowatt hour of electricity that is exported to the grid by a small electricity customer through operation of a photovoltaic generating system. The incentive is provided to the customer's retailer, which passes on the payment as credit on the customer's electricity bill.

Several retailers experienced problems with the new solar feed-in credit, resulting in numerous complaints to EIOSA. The complaints related to retailers' inability to bill customers operating photovoltaic systems, the application of an incorrect rebate and delays in the installation of network import/export metering.

### MEETING WITH MEMBERS

Maintaining positive and constructive relationships with Scheme members is an important factor in the successful operation of EIOSA.

The substantial growth in complaint levels during the year necessitated close liaison with several member companies so that complaint trends were identified and solutions provided in a timely fashion. I am pleased that the co-operation offered by the member companies assisted in ensuring that matters were addressed in a satisfactory manner.

Meetings with members covered a range of matters, including:

- Complaint handling processes and progress in the resolution of complaints
- Feed back on complaint trends and identified systemic issues
- Member training on Scheme requirements
- Information from members on changes to business practices affecting customers
- Changes to hardship-support programs
- Changes to members' executive-management and customer-support structures and staffing
- Information about new marketing campaigns and changes to products and services.

It is encouraging that members regard EIOSA as an important component of the energy market in South Australia and that it appears to be meeting its goal of providing an independent, free resolution service for those complaints that cannot be resolved between members and their customers.

### COMMUNITY LIAISON

EIOSA is committed to the principle of accessibility by all consumers of gas and electricity services. We have developed good communication channels with a range of community service organisations and agencies, such as the Department for Families and Community, SA Council of Social Service, Council of the Ageing, State and Federal Members of Parliament and local councils.

Accompanied by other EIOSA team members, the Ombudsman participated in regional awareness presentations at Murray Bridge, Port Pirie and Mt Gambier during the year.

The Ombudsman also presented at a panel forum organised by the Council of the Ageing that informed members about the competition market and the services EIOSA can provide.

### MEDIA

The Ombudsman responded to a number of media enquiries and participated in media interviews relating to energy marketing, security deposits, billing, customer services and Scheme activity during the year.

### MEMBER SYSTEMIC ISSUES

The primary role of EIOSA is to resolve complaints about electricity and gas services that cannot be resolved by customers and the relevant energy companies.

However, EIOSA also plays an important role in identifying systemic issues, that is, issues or changes in policy and/or practices by a member that affect, or have the potential to affect, a number of customers. EIOSA's independent contact with customers enables us to identify systemic issues and report to members and ESCOSA and to facilitate early corrective action.

A summary of the key systemic issues that impacted individual members during the year is provided below:

#### No Bill Issued


About 14,000 customers of one retailer did not receive bills following their scheduled meter readings. In some cases, customers received reminder notices, but no original bills. The retailer advised EIOSA that the problem resulted from a 'system error' that was subsequently resolved.

#### Gas Heating Value

The heating value on gas bills sent by a retailer was found to be incorrect. Although the error had negligible impact on the calculation of the bill, the problem was corrected by the retailer and adjusted bills sent to the affected customers.



# accessible

A black and white photograph of two women standing in a pond filled with lily pads. The woman on the left, wearing a patterned sleeveless top, is pointing at a document held by the woman on the right, who is wearing a dark vest over a light-colored shirt. They are both looking down at the document. The background is a dense field of lily pads on the water's surface.

*EIOSA's independent contact with customers enables us to identify systemic issues and report to members and ESCOSA and to facilitate early corrective action.*

## OMBUDSMAN'S REPORT CONTINUED

### Summer Tariff

Approximately 3,600 customers had the higher summer tariff applied to their bills for a period outside the applicable timeframe. All affected customers were billed again at the correct tariff.

### Direct Debit

One retailer direct-debited a small number of customers for the full amount of their bills, rather than the agreed installment amount. This affected customers who had arranged for set amounts to be debited from their accounts. Upon becoming aware of the problem, the retailer arranged for the prompt refund of the incorrect amounts.

### Feed-In Tariff

Approximately 1,600 photovoltaic customers had incorrect feed-in tariff amounts applied to their accounts by a retailer. The amount applied was not compliant with the relevant legislation. The retailer advised EIOSA that the problem arose from a tariff mismatch in their billing system. All affected accounts were cancelled and customers received bills with the correct feed-in tariff applied.

### No Bills For Certain Tariffs

A retailer was unable to bill about 1,800 customers on a specific tariff and another 1,600 photovoltaic customers due to a system problem. The retailer notified all affected customers and expects to rectify the problem by October 2009. These customers will be back-billed in accordance with the provisions of the Energy Retail Code. The Code limits recovery of any outstanding amount to 12 months. Any credit generated by supplying electricity into the grid will be paid in full from the date of installation of the meter, regardless of the time required to solve the system problem.

### Next Scheduled Read Date

The 'next scheduled read date' was not provided on the bills issued by a retailer to a small number of customers in late January and early February 2009. This information is required to be provided under the Energy Retail Code. Some customers need this information to provide access to their meters. The problem was rectified by the retailer in late February.

### Bill Not Based On Actual Read

Estimated bills were issued by a retailer to approximately 2,400 customers, when an actual read of the meter had been taken. The problem was caused by a system error subsequently fixed by the company.

### Security Deposits

About 1,650 consumers had security deposits applied to their accounts that may not have complied with the

Energy Retail Code. Following discussions with the Essential Services Commission of SA the retailer agreed to refund the amounts and stop collecting deposits.

### Incorrect Information

Incorrect information was supplied by a retailer to its customers about the size of a proposed price increase. The retailer subsequently wrote to all affected customers correcting the information.

## MEMBERS OF EIOSA

As at 30 June 2009, EIOSA had 21 members, consisting of 16 electricity members and five gas members. This is unchanged from the previous year. See page 7 for details.

## CONTINUOUS IMPROVEMENT

A number of initiatives were introduced during 2008-09 as part of EIOSA's continuous improvement strategy. These included:

- A new case category of 'Consultations' for complaints occurring when customers are without gas or electricity supply. These matters are treated as priority cases to ensure prompt resolution.
- A number of 'Refer to Higher Level' cases that could not be initially resolved were satisfactorily resolved through negotiation, avoiding Level 1 investigations. This helped EIOSA manage the significant increase in cases received.
- Development of a new member's manual providing guidance for Scheme participants on EIOSA case-management.
- Introduction of a structured training pack for EIOSA staff to assist in employees' induction and consistency of case management.
- Refinement to case-management data capture.

## STAFFING

As at 30 June 2009, the office comprised 11 employees (10.3 full time equivalents). The substantial increase in Scheme activity during the year necessitated the recruitment of two additional investigation officers.

I would like to take this opportunity to sincerely thank the EIOSA team for their commitment, professionalism and innovation in successfully meeting the challenges of a very busy year.

## THE BOARD

I would like to thank the Board for their ongoing encouragement and support to the Scheme and me. In particular, I thank the Chairman, Bill Cossey, and former Chairman Keith Hancock for their support and guidance.

# fair

A black and white photograph of two women sitting at a table, looking at documents. The scene is overlaid with a pattern of lily pads, creating a dreamlike or aquatic atmosphere. The woman on the left has curly hair and is wearing a patterned top. The woman on the right has straight hair and is wearing a dark vest over a light shirt. They are both looking towards the right side of the frame.

*The retailer contacted Miss A and apologised for taking over the service in error. It cancelled the contract and returned the service to the existing retailer. Miss A was happy with the outcome.*



# CASE STUDIES

## ENERGY MARKETING

Miss A received a knock at the door from an energy marketer. The marketer explained he was not there to sell anything, and that as Miss A was already a customer with the retailer she could sign a form to receive a discount from her electricity bill. Miss A signed the form as there was no cost involved. When Miss A's boyfriend arrived home he revealed they were with a different retailer.

Miss A filled out and sent the cancellation notice the marketer had provided, as the couple did not wish to change retailers. The new retailer sent Miss A a welcome letter and thanked her for joining the company. Miss A called and was advised to ignore the letter as her cancellation notice had been received. The following day Miss A received a final bill from her chosen retailer.

Miss A contacted EIOSA, and we contacted the retailer that had sent a marketer to Miss A's house. The retailer contacted Miss A and apologised for taking over the service in error. It cancelled the contract and returned the service to the existing retailer. Miss A was happy with the outcome.

## HIGH GAS BILL

Mr S had only been at the property for nine months when he received a very high gas bill for the winter period. His energy company told him he was billed according to an estimated reading that was based on usage by the previous occupants. Mr S explained there were two gas heaters at the property but he did not use them over winter as he had just moved from a colder climate and did not need heating.

Mr S contacted EIOSA and the matter was referred to the energy company at a higher level. The energy company reduced the bill by almost half. However, Mr S was still not convinced the bill was correct as the amount was double previous quarterly bills, and he had not used any more gas in the winter quarter.

EIOSA investigated and discovered that the gas distribution company had replaced the gas meter at the end of winter as part of its routine replacement program. An estimated reading had been calculated, as an actual reading was not available. The estimate was based on a metric gas meter, but the removed meter used imperial measurements. This resulted in a very high bill. Once identified, the gas distribution company corrected the estimate, which reduced the bill to normal low levels.

## ACCOUNT TRANSFERRED IN ERROR

Ms T had been living at the same rental property for two years. She established a gas account with an energy company (retailer A) when she moved in and she had received and paid a gas bill. She also had electricity supply from the same company and did not realise that she had not received further bills for gas. She had received

and returned mail addressed to a previous tenant from another energy company (retailer B). Ms T came home to find her gas supply had been disconnected and contacted retailer A. She was told she no longer had a gas account with them as her account had transferred to retailer B after her first bill. Retailer A told her it could not help her to reconnect her gas, as it had not disconnected it. It also could not tell her which company had arranged the disconnection. Ms T then contacted EIOSA.

EIOSA contacted retailer A and B to request reconnection. Both companies were unsure about the reconnection process and Ms T's gas was not reconnected until the following day. It was established that retailer B had taken over her gas account for a previous tenant at the property. The previous tenant requested this transfer many months earlier and had left the property before the transfer took place. As retailer B had taken over the account in error, the account was returned to retailer A and Ms T was not charged for her gas usage during the time that her retailer did not bill her (almost two years). In addition, a customer service credit was provided by retailer B for the poor service she had received.

## SITE USE CHANGE

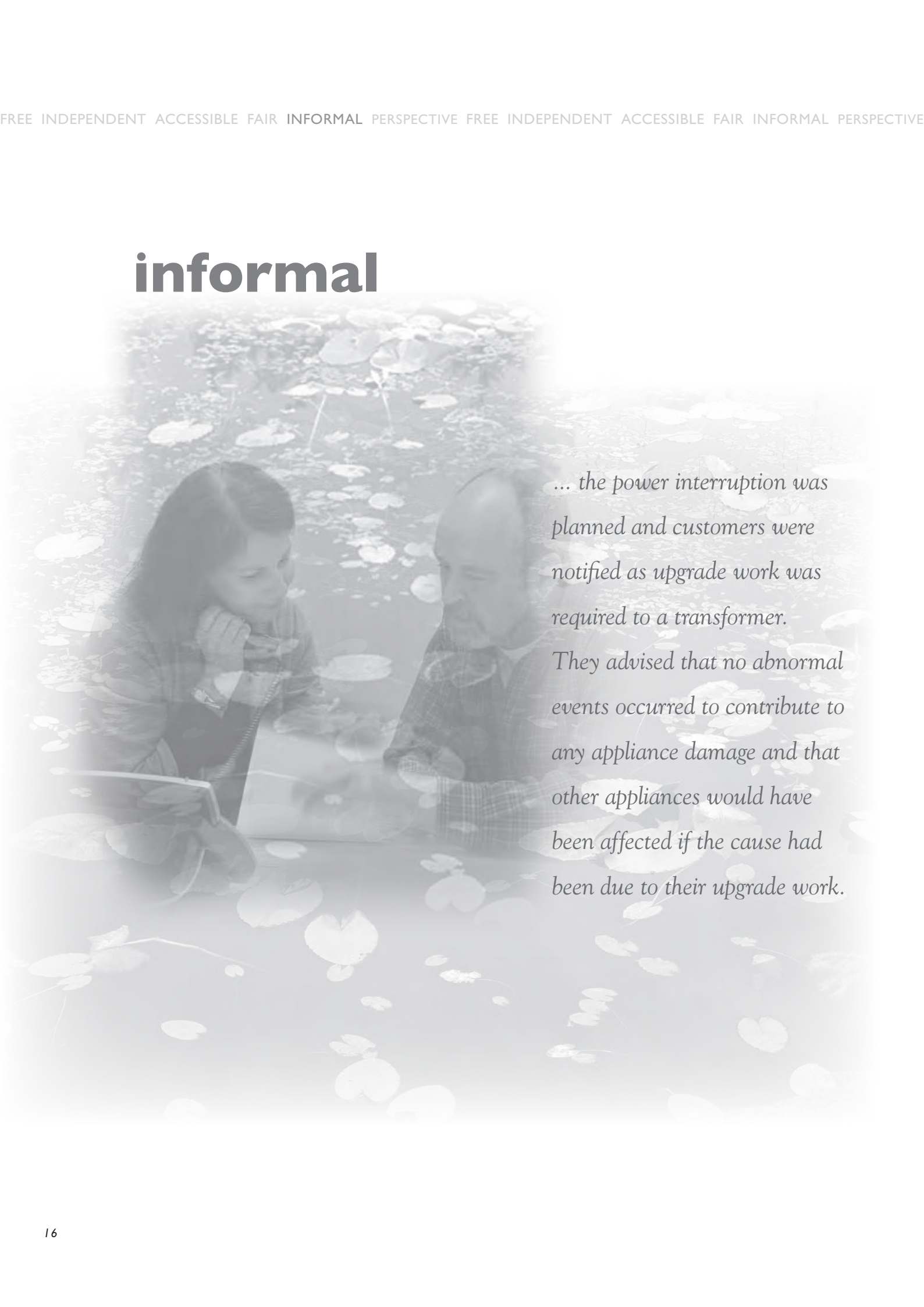
Mr L bought a commercial property, previously a factory, and had all the equipment used by the previous owners removed. He contacted an energy company six months later to advise he had taken over the property. He was not offered a contract at this time so wrote to the company chasing a bill but did not receive a reply. Several months later he received an electricity bill for more than \$23,000, based on commercial network charges, and including less than \$30 of usage charges. Mr L was using the property for storage and used very little electricity, which the bill confirmed. Mr L contacted EIOSA when his energy company told him he was responsible for paying the high bill.

Following an investigation by EIOSA the energy company arranged for the property to be reassessed by the electricity distributor as a small site. This ensured future bills were issued using appropriate charges and tariffs for a 'small customer'. As the energy company had not identified Mr L as a small customer when he initially rang, they were responsible for the commercial network charges until the site was reassessed. The previous bills were reissued by the retailer at an appropriate rate.

## CROSS METERED SITE

Miss P lived at a new property for three years and had an established electricity account with retailer A. She received a letter from another energy company (retailer B) asking her to contact them about unauthorised electricity usage. She rang retailer B and was told she owed them money. Miss P explained that she had an account with retailer A and that her bills were up to date.

# informal



*... the power interruption was planned and customers were notified as upgrade work was required to a transformer. They advised that no abnormal events occurred to contribute to any appliance damage and that other appliances would have been affected if the cause had been due to their upgrade work.*



## CASE STUDIES CONTINUED

Miss P's electricity was disconnected by retailer B. Miss P agreed to pay reconnection fees to ensure power was reconnected that day, as it was over 40°C. She had to throw out spoiled food from her fridge and freezer. Miss P contacted EIOSA as she did not believe she should have to pay for something that was not her fault.

EIOSA's investigation revealed that Miss P had been paying bills for her neighbour's meter. As a result of the investigation, retailer A took over the correct meter, bills were adjusted and all fees were waived. Miss P was invited to submit a claim for her spoiled food to retailer B.

### **DAMAGE CLAIM**

Ms O lodged a claim with the electricity distribution company for damage to her computer; following a planned power interruption which she believed caused damage to her computer. As the claim was denied, she contacted EIOSA to have the matter investigated. The distribution company provided information to EIOSA that confirmed the power interruption was planned and customers were notified as upgrade work was required to a transformer. They advised that no abnormal events occurred to contribute to any appliance damage and that other appliances would have been affected if the cause had been due to their upgrade work. There were no other reports of damage and there was no evidence that the distribution company had been negligent or had acted in bad faith, which is required for them to be considered liable. Ms O was advised to contact her household insurance company regarding the damage claim.

### **DEFAULT CONTRACT**

Mr D took over the lease for a hotel and contacted his energy company (retailer A) for a market contract. The previous leaseholder had been with a different retailer (retailer B). Retailer A advised Mr D that his contract and transfer would be effective from his commencement date.

Mr D received bills at a very high rate from retailer B, although he did not have a contract with the retailer. Mr D contacted retailer B to advise he had a contract with retailer A. However, retailer B advised that the transfer to retailer A was only effective three months after he took over the lease and that it was billing for the interim period under a default contract.

After several attempts to sort out this matter with retailer A, Mr D contacted EIOSA. An investigation confirmed Mr D had requested a contract three months earlier. There had been an error in the transfer process, which resulted in the transfer failing.

Retailer A acknowledged that Mr D had requested a contract three months earlier and provided him with a credit to the value of the difference between retailer A's contract price and the non-contract rates charged by retailer B. This equated to about \$13,000. Mr D considered this an appropriate outcome.

### **QUALITY OF GAS SUPPLY**

Mrs W had a gas leak at her property and called the gas leak emergency number. The gas distribution company came to her property and repaired the leak. Following the repairs, Mrs W had no hot water between 8 am and 9 am, and 5 pm and 10 pm. Mrs W arranged for her plumber to check the hot water service and her plumber found that there were no faults with the system. The gas distributor visited to check that the gas was flowing within the required service level and confirmed that it was.

Mrs W did not know who to turn to and called EIOSA. We contacted the gas distributor, which installed a temporary gas supply via gas bottles. They also undertook further investigations and identified that during peak times insufficient gas was being supplied to the customer. The distributor carried out work to improve the reliability of the supply to the whole area, resulting in hot water being available to Mrs W at all times. She was happy with the outcome.

### **DENIED CLAIM**


Mr A contacted EIOSA in relation to a denied claim by his distributor. Mr A had submitted the claim for food spoilt, following an electricity supply interruption. He advised EIOSA that he believed that there had been a delay in getting the supply re-instated following the interruption.

EIOSA investigated the issue raised and found that the claim had been denied by the distributor on the basis that they did not consider they had been negligent or acted in bad faith.

EIOSA found that the supply outage occurred during heatwave conditions, when there had been an unprecedented demand on the network. This high demand resulted in the operation of protective devices on two transformers in Mr A's area that supplied different customers in the same street. The distributor had attended to both transformers at different times, in order of when they became aware of the faults.

As the protective devices had operated as designed, due to the high temperatures and demand on the network, EIOSA's investigation could find no evidence of the distributor being negligent or acting in bad faith and concluded that they were not liable to pay Mr A's claim.

# perspective

A woman with dark hair and bangs, wearing a light-colored button-down shirt, is sitting at a desk. She is looking down at a document on the desk. Her hands are on the paper. On the desk, there is also a computer mouse and some other papers. The background is a large, out-of-focus image of a lily pond with many lily pads floating on the water. The overall tone is soft and somewhat ethereal.

*... the meter reading was less than the estimated reading, the bill was amended to the reduced amount. It was explained to Ms R that the bill had been estimated on the previous usage at the property for the same period of the previous year. Ms R was satisfied with the explanation and outcome.*

## CASE STUDIES CONTINUED

### NO PHOTO VOLTAIC BILL

Mr P is very conscious of saving energy and “going green”. He invested in 38 solar panels on his roof so he could generate his own electricity. Mr P’s meter was read, but four weeks later he had not received a bill. He contacted his retailer, who advised that they were waiting for the distribution company to provide the readings.

Mr P contacted the distribution company, which advised that they had provided the readings. Mr P contacted EIOSA, and we referred the matter to his retailer. Four weeks later Mr P contacted EIOSA to advise that his retailer could not provide his bill due to an error. They confirmed that the delay was their mistake.

Mr P was concerned about not receiving the payment he was due because he generated more electricity than he used. EIOSA informed the retailer and explained that Mr P was likely to be in credit. The retailer calculated the solar generation and agreed to pay \$900 for the excess generation from Mr P’s solar panels. Mr P was satisfied with the outcome.

### DISCONNECTION IN ERROR

Mr O had his power disconnected although he had paid his bill and had not received any disconnection warning from his retailer. Mr O called the retailer and arranged for his power to be reconnected. He also asked to close his account because of the stress and inconvenience caused by the disconnection incident. Mr O was asked by the retailer to arrange an account with a different retailer, as he did not wish to wait until the next meter read to change providers. A second disconnection occurred one week later. Mr O did not understand that the power would be disconnected when he had asked for the account to be closed. He was very upset, lost all of his fridge stocks, and was locked out of the house because the only entry was through electric garage doors.

Our office contacted the retailer to establish what had happened. The retailer was not sure why the customer had not received any warning of the first disconnection. The retailer confirmed that the customer made payment on the account prior to the disconnection, and, due to this error, paid Mr O \$450 to replace stock and for his inconvenience at the time of the disconnection. We arranged for the reconnection on the same day and a cheque refund was sent three days after the initial enquiry to EIOSA. Mr O was happy with this swift response.

### DAMAGE CLAIM

Mrs K experienced light bulbs blowing and damage to the wiring of several of her appliances during a power surge in her area. She forwarded a damage claim to the electricity distributor. Mrs K was asked to provide all information, receipts and quotations for repairs to substantiate her claim.

She took her equipment, including a television and a microwave, to an electrical shop and asked for a quotation as indicated in the claim form. The quotes cost her \$150. The electricity distributor responded to her claim and it was denied on the grounds that they had not been negligent nor acted in bad faith.

EIOSA questioned the electricity distributor about the costs for the quotes and whether they had advised Mrs K that the cost for these quotations would be her responsibility.

The electricity distributor was not able to confirm that Mrs K was made aware that the expenses were her responsibility and so refunded the \$150. The distributor has now amended its documentation to indicate that customers will be responsible for any expenses in obtaining materials they choose to include in their claims.

### ESTIMATED BILL

Ms R contacted EIOSA after receiving an estimated bill. She explained that the estimated amount of about \$200 appeared high, as her bills were normally about \$50. The property was unoccupied with the only appliances in use a fridge and an electric fence. Ms R wanted to understand how the estimate was calculated.

Ms R supplied the retailer with her own reading, but the retailer advised that it did not accept customer readings. They suggested that Ms R arrange an appointment for a meter reading, with a meter read charge of \$27. Ms R was not satisfied and contacted EIOSA.

EIOSA explained to Ms R that there was no obligation for retailers to accept customer readings. As Ms R wanted an explanation of the estimation process, EIOSA referred Ms R’s complaint to a higher level contact area with the retailer.

EIOSA’s referral resulted in the retailer arranging for a special meter reading to be taken without charge to Ms R, as a customer service gesture. Also, as the meter reading was less than the estimated reading, the bill was amended to the reduced amount. It was explained to Ms R that the bill had been estimated on the previous usage at the property for the same period of the previous year. Ms R was satisfied with the explanation and outcome.

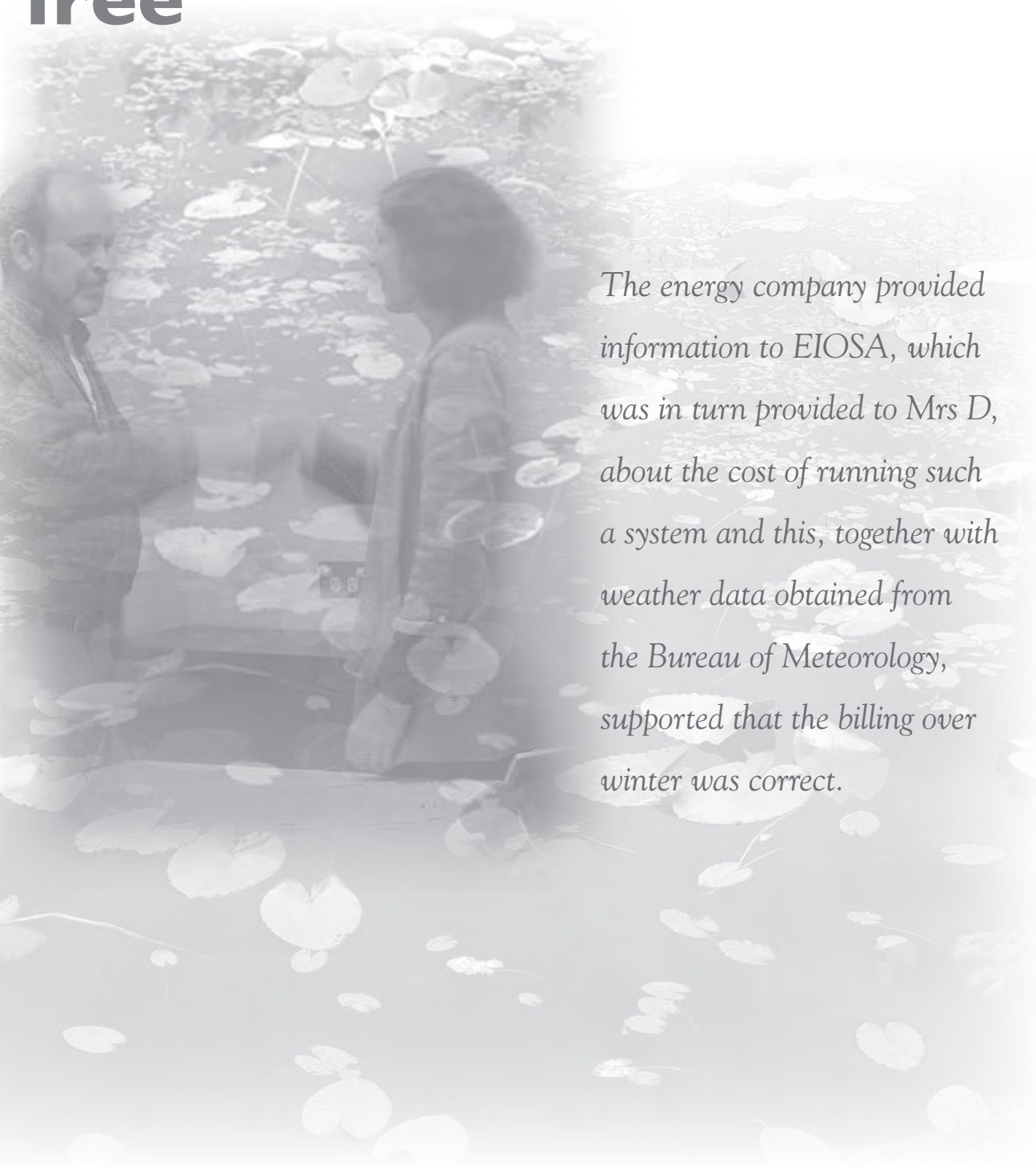
### ENERGY MARKETING

Mrs I had an energy marketing person call at her property asking her to sign an electricity contract offer. Mrs I felt pressured and uncomfortable and refused to sign the contract.

A few months later Mrs I was contacted by her chosen retailer (retailer A) and asked if she had requested a transfer to a different retailer (retailer B). Mrs I informed her retailer she had not requested a transfer.



# free

A man and a woman are standing in a pond filled with lily pads. The man is on the left, wearing a patterned jacket, and the woman is on the right, wearing a dark jacket. They are facing each other and appear to be in conversation. The pond is covered with many lily pads, and the background is slightly blurred.

*The energy company provided information to EIOSA, which was in turn provided to Mrs D, about the cost of running such a system and this, together with weather data obtained from the Bureau of Meteorology, supported that the billing over winter was correct.*

## CASE STUDIES CONTINUED

Later that month Mrs I received a final bill from retailer A, including a contract termination fee, and a letter from retailer B advising she was now their customer. Mrs I contacted retailer B, disputing the claim that she had signed a contract and requesting a copy of the contract.

Two weeks later Mrs I received a copy of the contract, which contained her details and an unidentified signature. Mrs I was distressed and contacted EIOSA.

EIOSA contacted both companies and their discussions resulted in Mrs I's electricity contract being reinstated with retailer A and the termination fee removed.

Retailer B conducted an investigation into the matter and determined that the energy marketer had behaved inappropriately. As a result, the energy marketer was penalised \$300 and the person left the marketing sales company.

Mrs I was satisfied with the outcome.

### HIGH GAS BILL

Mrs D received a high gas bill and strongly disputed the amount charged, despite her meter having been tested and found to be accurate. The old gas meter was removed from the property for testing and a new meter installed. As usage had dropped to lower levels after the new meter was installed, Mrs D was convinced there was a fault with the old meter and so the matter was referred to a higher level within Mrs D's energy company.

Mrs D was not satisfied with the response from her energy company, which advised her that the high bill reflected her higher usage over winter. She contacted EIOSA to have the matter investigated. Mrs D provided information about the ducted gas system she had installed at the property the previous winter and her usage pattern, which she claimed was minimal over a mild winter. She had been told by the salesperson that the ducted gas heating system used negligible gas.

The energy company provided information to EIOSA, which was in turn provided to Mrs D, about the cost of running such a system and this, together with weather data obtained from the Bureau of Meteorology, supported that the billing over winter was correct.

### BILLING ERROR

Mr L had been experiencing delays with his electricity billing, which was causing him considerable inconvenience. He contacted his retailer, which acknowledged the inconvenience caused and, as a customer service gesture, applied a credit of \$100 to his account.

On receipt of his next bill, Mr L was concerned that he had been overcharged. He contacted his retailer again, explaining that the reading taken on the same date for opening the latest bill and closing the previous one should have been the same, yet were different.

Mr L's retailer indicated that he had been billed correctly, with the difference in the readings due to a manual adjustment occurring when the \$100 credit was applied to his account. Mr L was not satisfied and contacted EIOSA.

EIOSA contacted the retailer and requested an investigation. The retailer provided Mr L with an amended bill, which revealed he had been overcharged by \$460 due to the incorrect reading used on the bill. The retailer also sent Mr L a letter of apology for the incorrect billing. Mr L was satisfied with the outcome.



# 2008-09 CASE MANAGEMENT REPORT

## OVERVIEW

EIOSA received 8,608 cases in 2008-09, an increase of 3,315 (62.6 per cent) from the previous year. Most of the cases occurred in the second part of the 2008-09 financial year and reflected 60 per cent of the activity.

The main increases were experienced in the 'Billing' (2,019 or 95.1 per cent increase) and 'Credit Management' (560 or 83.3 per cent) categories.

**Issues Received** The table below provides details on the cases received and compares activity with the previous reporting period.

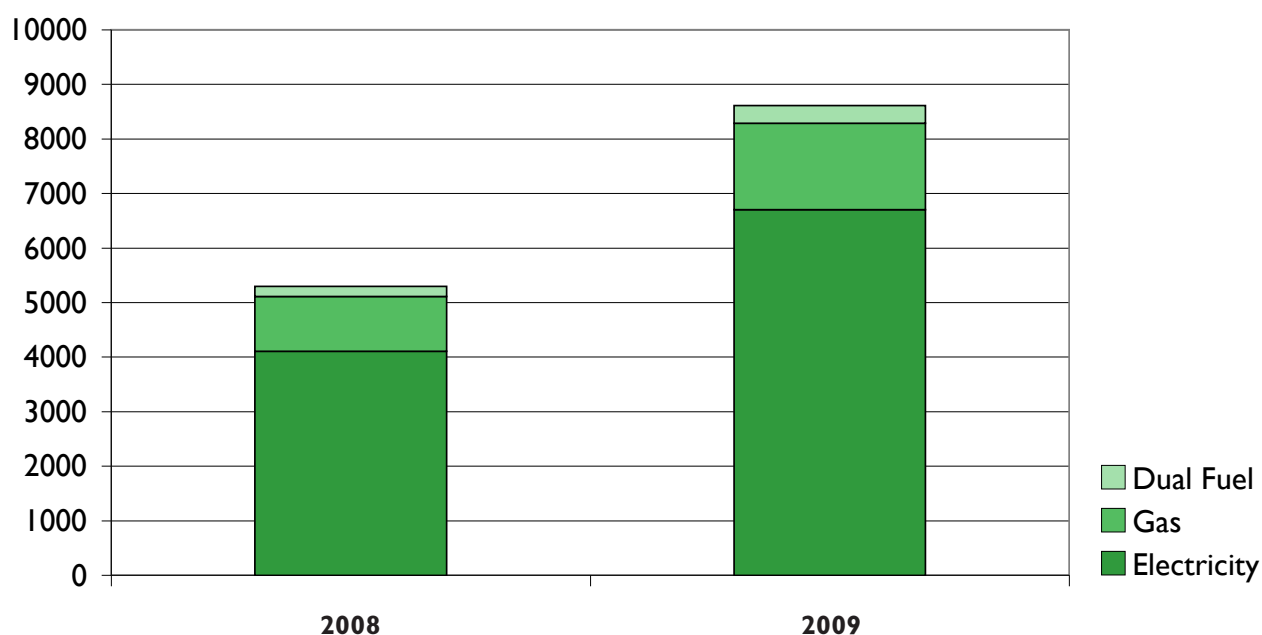
Issues	2007-2008	2008-2009	Difference
Issues (Cases Received)	%	%	% Change
Billing	40.1%	48.1%	95.1%
Competition	20.7%	14.0%	9.7%
Credit Management	12.7%	14.3%	83.3%
Customer Service (Incl Privacy)	7.2%	7.0%	58.7%
General Enquiry	9.8%	7.8%	29.3%
Land	2.0%	1.0%	-19.2%
Provision	5.0%	5.7%	84.6%
Supply Quality	2.5%	2.1%	36.6%
TOTAL	100.0%	100.0%	62.6%

## INDUSTRY/FUEL

Electricity issues comprised 77.9 per cent (77.5 per cent in 2007-08) of the cases handled by the Scheme, with gas accounting for 18.4 per cent (19.0 per cent in 2007-08)

and Dual Fuel issues (mostly contract and marketing issues) comprising 3.8 per cent (3.5 per cent in 2007-08). The table below illustrates activity by Industry/Fuel.

### Industry/Fuel



## 2008-09 CASE MANAGEMENT REPORT CONTINUED

### THE DIFFERENCE BETWEEN ENQUIRIES AND COMPLAINTS

A case represents a contact to EIOSA and can be handled as an 'enquiry' or a 'complaint'. There were 8,427 cases finalised in 2008-2009.

An 'enquiry' is a request for information or service. A complaint is an expression of dissatisfaction with an energy company that is a member of EIOSA.

#### **Enquiries**

If a person with a complaint has not contacted the energy company prior to contacting EIOSA, the contact with EIOSA will be recorded as an enquiry and the customer asked to contact the company's customer service section. It is a requirement of EIOSA's Charter that the company has had an opportunity to consider the complaint.

Many enquiries involve the provision of information and/or advice. Typically an investigation officer will provide information on industry codes and regulations that may apply to the customer's issues. If the issue is outside the jurisdiction of EIOSA we endeavour to provide the customer with details of appropriate referral points. The provision of timely and accurate information is an important component of EIOSA's role.

EIOSA finalised 2,945 cases at the enquiry level, 34.9 per cent of the total cases finalised in 2008-09.

#### **Complaint – Refer To Higher Level (RHL)**

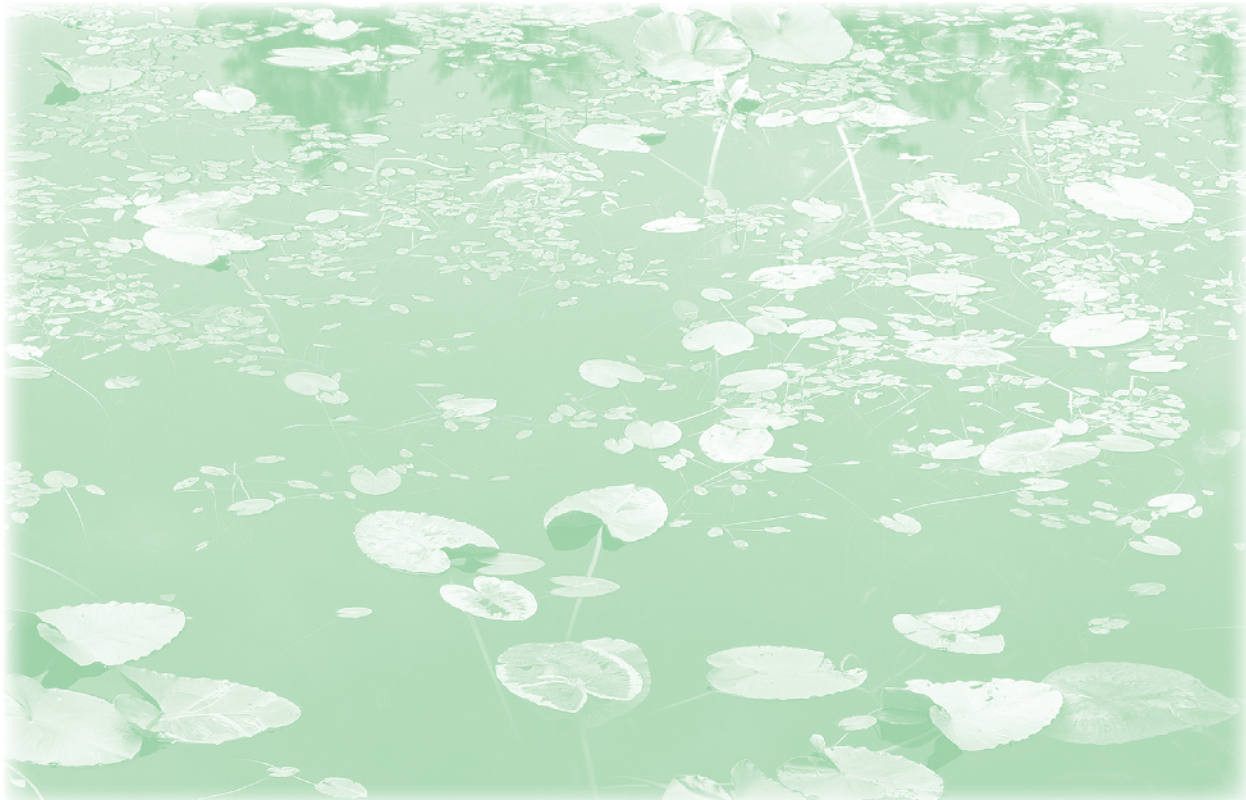
If a customer has been unable to resolve a complaint with an energy company, EIOSA accepts the issue as a complaint. If the customer's contact has been at the company call-centre level only, EIOSA will refer the complaint to the company's higher-level dispute resolution area under our "Refer to Higher Level" policy.

This policy is similar to other industry ombudsman schemes and provides the company with an opportunity to resolve the customer's complaint at a more senior level. Exceptions to this RHL policy include complaints about disconnections that are imminent or have already taken place.

Customers are advised that if they are not satisfied with the resolution or the time taken to resolve their complaints they should contact EIOSA again.

EIOSA does not close a RHL case until advised by the company that the complaint has been resolved. In this way EIOSA maintains a "watching brief" over the resolution. Again, as detailed above, if the customer advises EIOSA that he or she is not satisfied with the outcome, the case is upgraded as an investigation.

EIOSA finalised 4,755 RHL cases, comprising 56.4 per cent of the contacts, in 2008-09.



## 2008-2009 CASE MANAGEMENT REPORT CONTINUED

### **Complaint – Consultation**

A ‘consultation’ complaint emanates from a customer who is without gas or electricity supply. Cases include situations where customers have been disconnected (or disconnection is imminent) for non-payment of accounts.

Before July 2007, disconnection cases were handled as ‘investigations’.

EIOSA handled 480 consultation cases, comprising 5.7 percent of the contacts, in 2008-09.

### **Complaint – Investigation**

When a case has been accepted for investigation, the member company is asked to provide information to assist the investigation. This may include details such as the customer’s billing history, previous contacts between the member and the customer relevant to the complaint,

cause of any outage, and whether informed consent was given as part of a market contract. If the customer has supporting information, we ask that this also be provided.

Where appropriate, EIOSA may also obtain independent technical or legal advice or seek the opinion of a regulatory body such as the Essential Services Commission of South Australia or the Office of the Technical Regulator.

Investigations will normally also include reviews of whether the requirements and provisions of the relevant energy codes and regulations have been met.

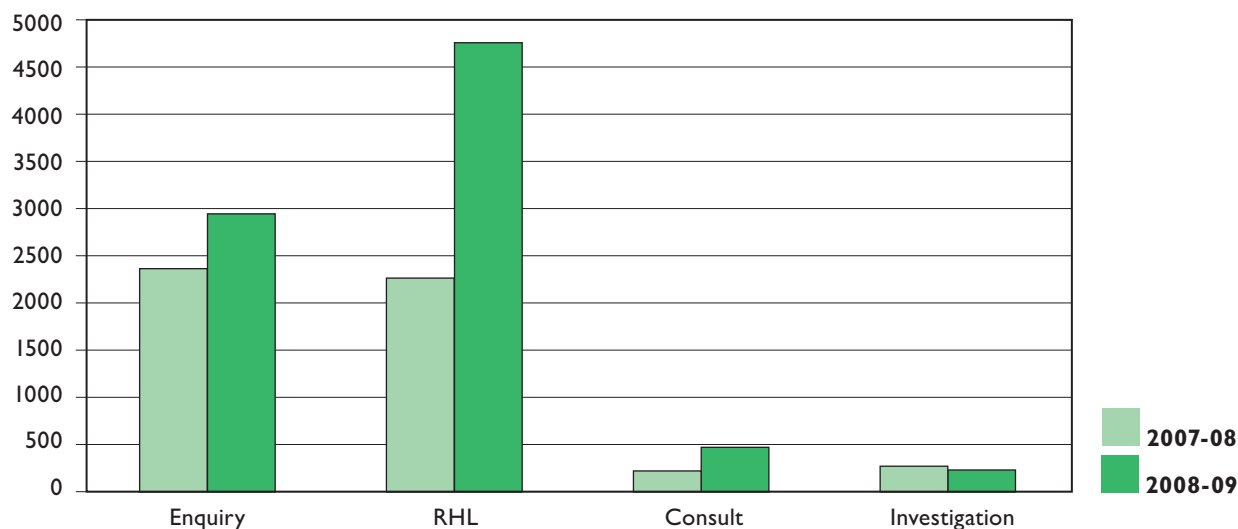
EIOSA’s aim is to establish an objective and independent view of the issues and to negotiate fair and reasonable outcomes.

EIOSA finalised 247 investigations, comprising 2.9 percent of the contacts, in 2008-09.

## **CASE FINALISATION LEVELS 2008-09**

During 2008-09 cases to EIOSA were finalised at the following levels:

### **Method of Contact**



The number of cases ‘referred to a higher level’ (RHL) increased by 2,496 (110.5 per cent) over the previous year.

The numbers of investigations decreased by 25 as cases were facilitated at the RHL level. Investigations are usually more complex and resource intensive.

## 2008-2009 CASE MANAGEMENT REPORT CONTINUED

### ISSUES

The types of issues that were finalised in 2008-09 compared to 2007-08 are outlined in the following table.

Issues	2007-2008	2008-2009	Difference
Issue	%	%	% Change
Billing	40.3%	47.0%	91.5%
Competition	20.8%	14.3%	12.5%
Credit Management	12.1%	14.8%	100.8%
Customer Service	7.0%	7.2%	69.2%
General Enquiry	10.0%	8.0%	31.2%
Land	2.0%	1.0%	-12.9%
Provision	5.2%	5.6%	78.1%
Supply Quality	2.7%	2.1%	30.4%
TOTAL	100.0%	100.0%	64.2%

### BILLING

In common with other similar ombudsman schemes, billing issues (3,957) continue to be the largest issue category, with the 3,957 cases representing 47.0 per cent of total caseload.

Last year the 2,066 billing cases represented 40.3 of the total finalised.

### CREDIT MANAGEMENT – SECURITY DEPOSITS

The introduction of security deposits by AGL contributed to the increased credit management cases. These security deposits were subsequently refunded to customers, as they did not always comply with Energy Retail Code requirements.

### CREDIT MANAGEMENT - DISCONNECTIONS

The number of disconnection and imminent disconnections cases increased from 297 in 2007-08 to 464 in 2008-09. While disconnections and imminent disconnections remain a relatively small component of the credit management category, these cases are of importance and are continually monitored. The changes may reflect broader economic conditions affecting consumers and will be continually monitored to ensure that consumers are being provided access to the retailer's hardship programs when appropriate.

The chart and tables below detail the number of disconnection cases finalised between 2006-07 and 2008-09.

Year	Number	Disconnection as % of Billing and Credit Cases	Disconnections as % of Total Cases
2006-07	222	9.4	4.6
2007-08	297	11.1	5.8
2008-09	464	9.9	5.5

## 2008-09 CASE MANAGEMENT REPORT CONTINUED

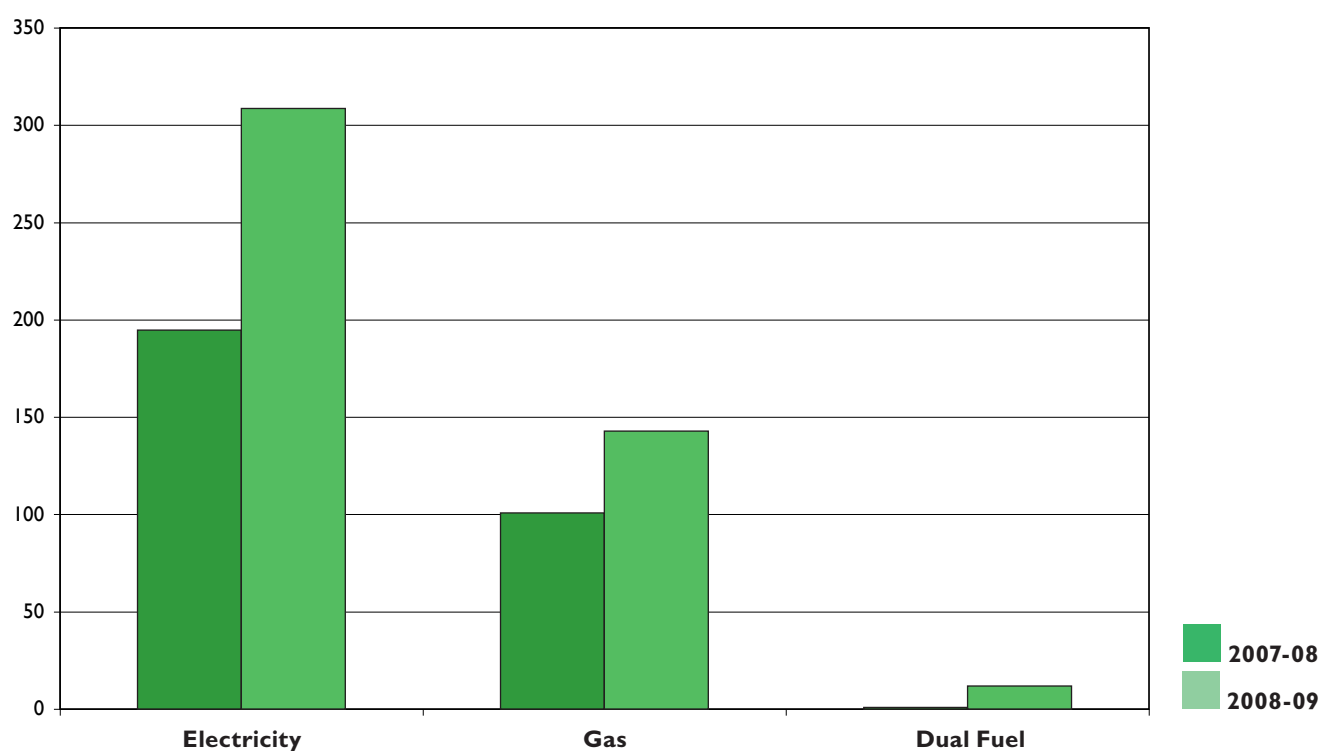
### DISCONNECTION BY INDUSTRY/FUEL

INDUSTRY/FUEL	ACTUAL	IMMINENT	TOTAL	%
ELECTRICITY	197	112	309	66.6
GAS	115	28	143	30.8
DUAL FUEL	5	7	12	2.6
TOTAL	317	147	464	100.00

### YEARLY COMPARISON

INDUSTRY/FUEL	2007-08	2008-09	Difference	% Change
ELECTRICITY	195	309	114	58.5
GAS	101	143	42	41.6
DUAL FUEL	1	12	11	1100.0
TOTAL	297	464	167	56.2

### Disconnection by Industry/Fuel





## 2008-09 CASE MANAGEMENT REPORT CONTINUED

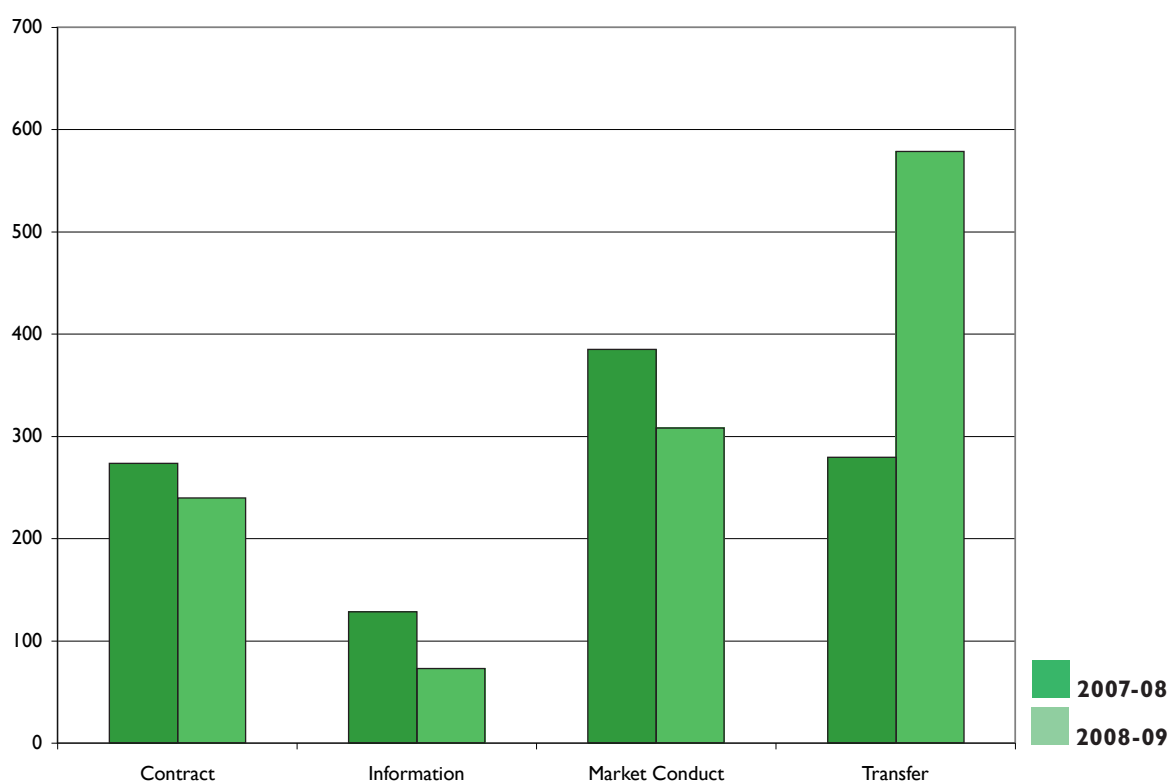
### COMPETITION

Competition-related cases finalised increased by 133 (12.5 per cent) over the 2007-08 figure. There were reductions in the number of complaints about contracts and market

conduct, but the number of complaints about transfers (delays in transfer and the wrong connection transferred) increased by 299 cases (106.79 per cent).

	2007-08	2008-09	Difference	% Change
Contract	274	240	-34	-12.4
Information	129	73	-56	-43.4
Market Conduct	385	309	-76	-19.7
Transfer	280	579	299	106.8
<b>TOTAL</b>	<b>1,068</b>	<b>1,201</b>	<b>133</b>	<b>12.5</b>

### Competition



## 2008-09 CASE MANAGEMENT REPORT CONTINUED

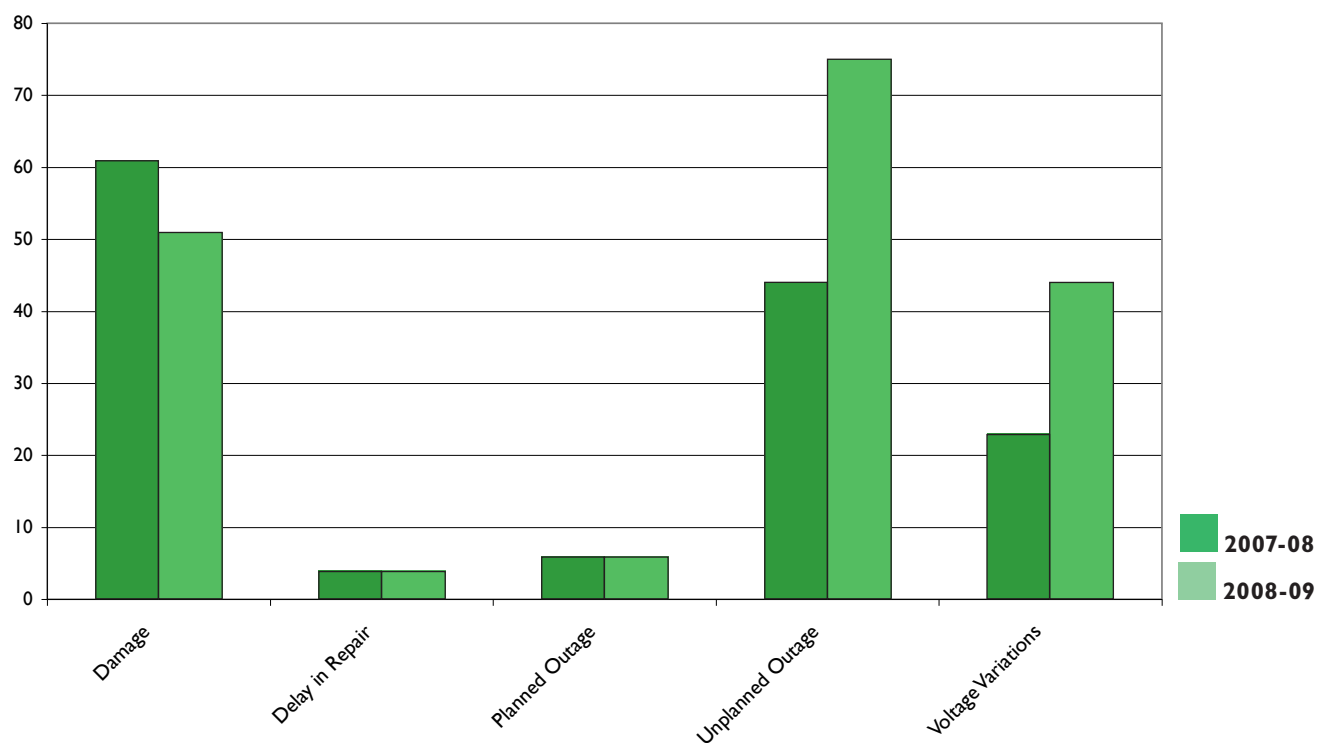
### SUPPLY QUALITY

EIOSA finalised 180 supply quality cases during 2008-09 compared to 138 in the previous year, an increase of 42 (30.4 per cent).

The increase in supply quality cases is mainly due to the heatwave outages (blackouts) that occurred in January-February 2009. These events included distribution network failures and load shedding.

	2007-08	2008-09	Difference	% Change
Damage	61	51	-10	-16.4
Delay in Repair	4	4	0	0.00
Planned Outage	6	6	0	0.00
Unplanned Outage	44	75	31	70.5
Voltage Variations	23	44	21	91.3
TOTAL	138	180	42	30.4

### Supply Quality



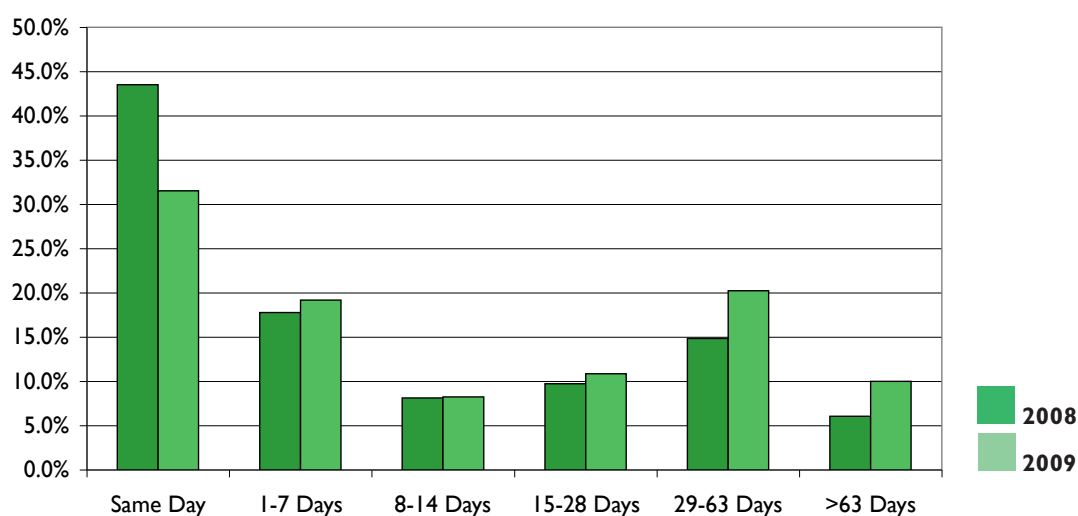
## 2008-09 CASE MANAGEMENT REPORT CONTINUED

### TIMEFRAME FOR FINALISATION OF CASES

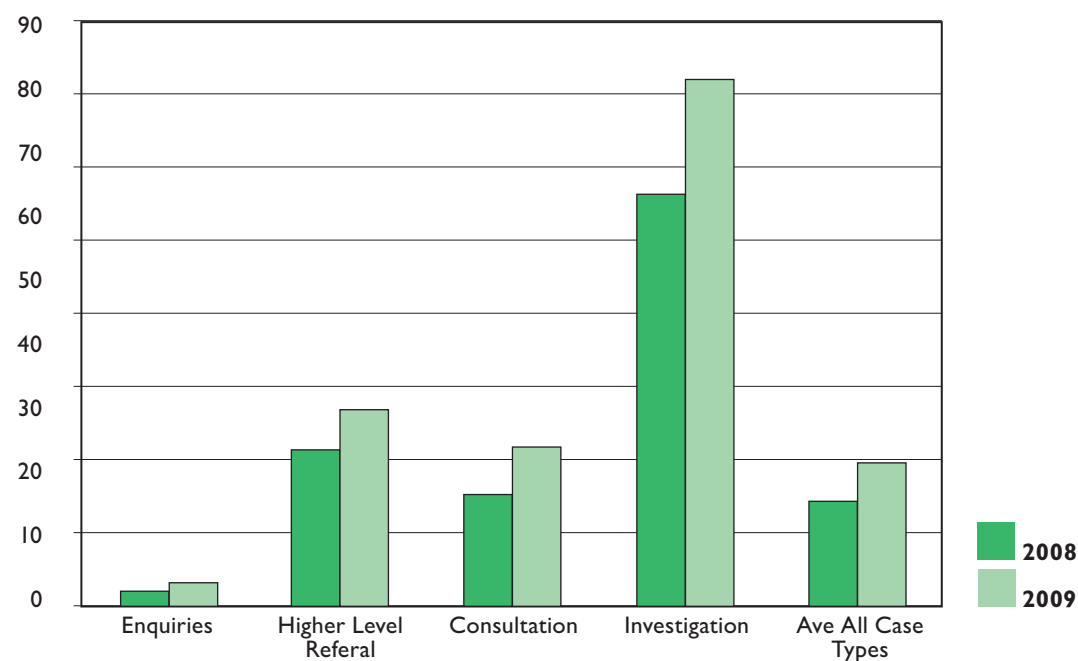
The 62.6 per cent increase in cases in 2008-09 led to the longer time necessary for finalisation of some cases. The increase in time was primarily due to longer handling

times by a retailer in responding to customer issues and providing information to EIOSA. Some EIOSA scheme members experienced improved case-handling times during the year.

#### Timeframe for Finalisation of Cases



#### Average Days



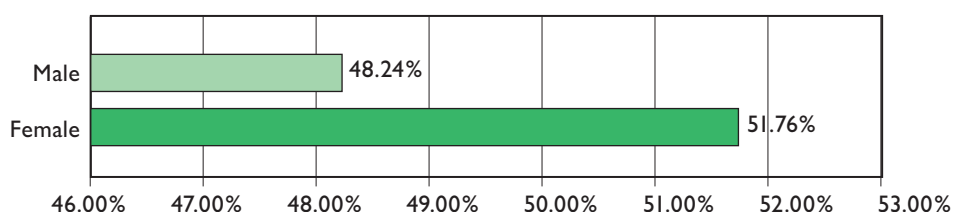
## 2008-09 CASE MANAGEMENT REPORT CONTINUED

### CONTACT STATISTICS 2008-09

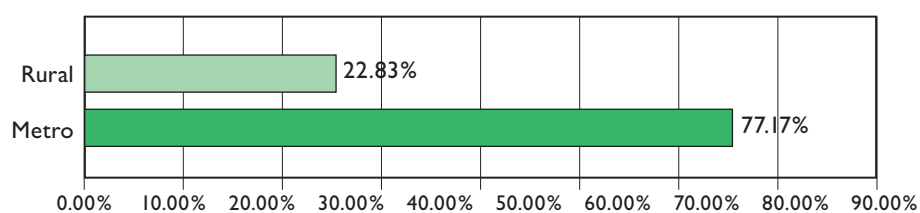
The SA Energy Market comprised around 805,000 electricity customers and 378,000 gas customers which potentially fall within the jurisdiction of the Scheme.

The following tables provide EIOSA contact statistics for the 2008-09 year.

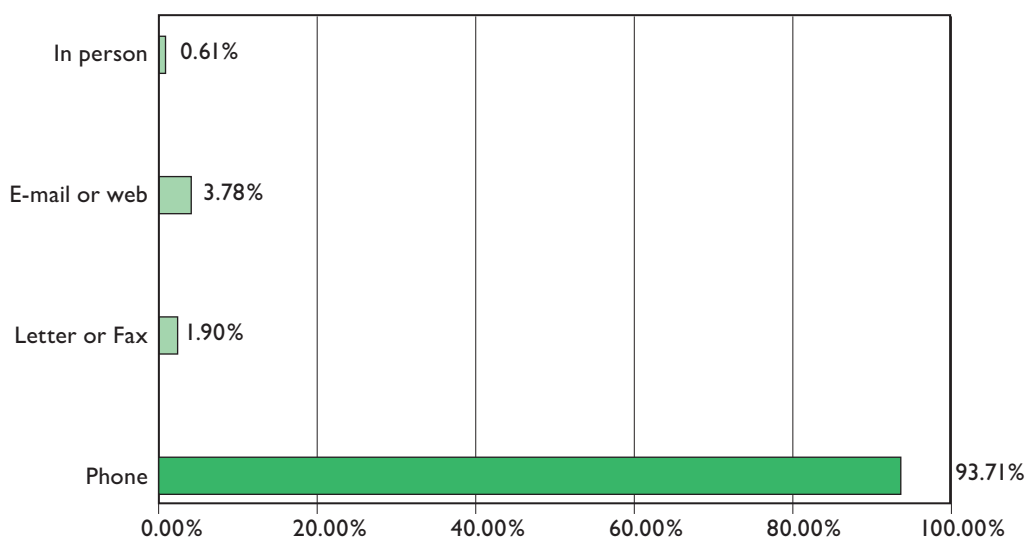
#### Gender



#### Where Cases Come From



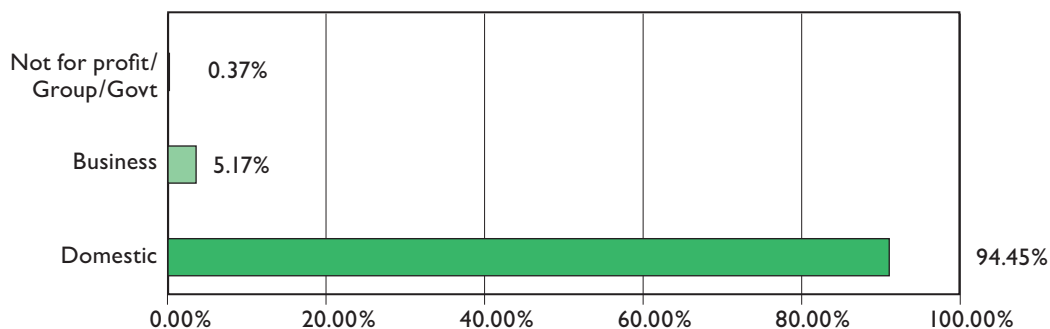
#### Method of Contact



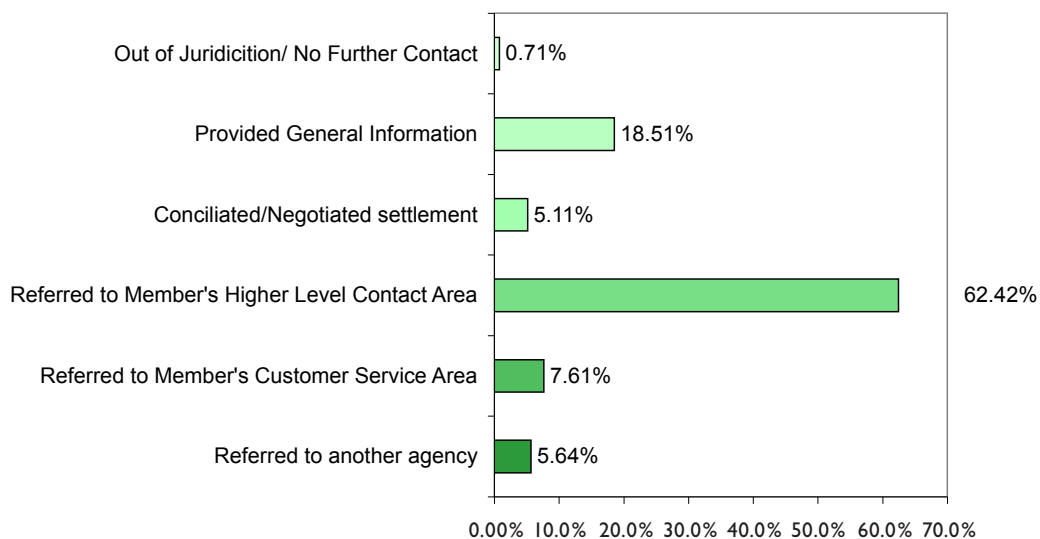


## 2008-09 CASE MANAGEMENT REPORT CONTINUED

### Who Contacted EIOSA

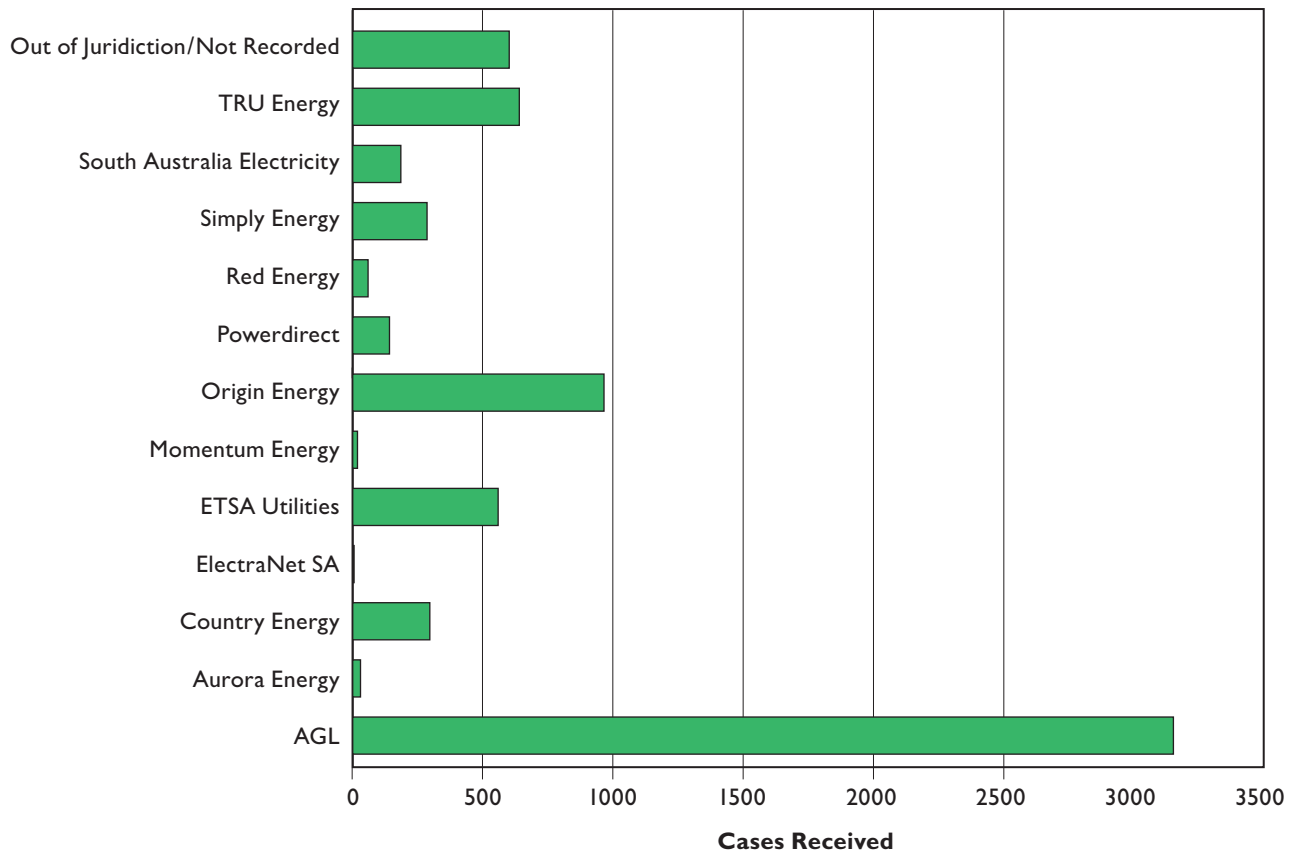


### How EIOSA Dealt With Cases

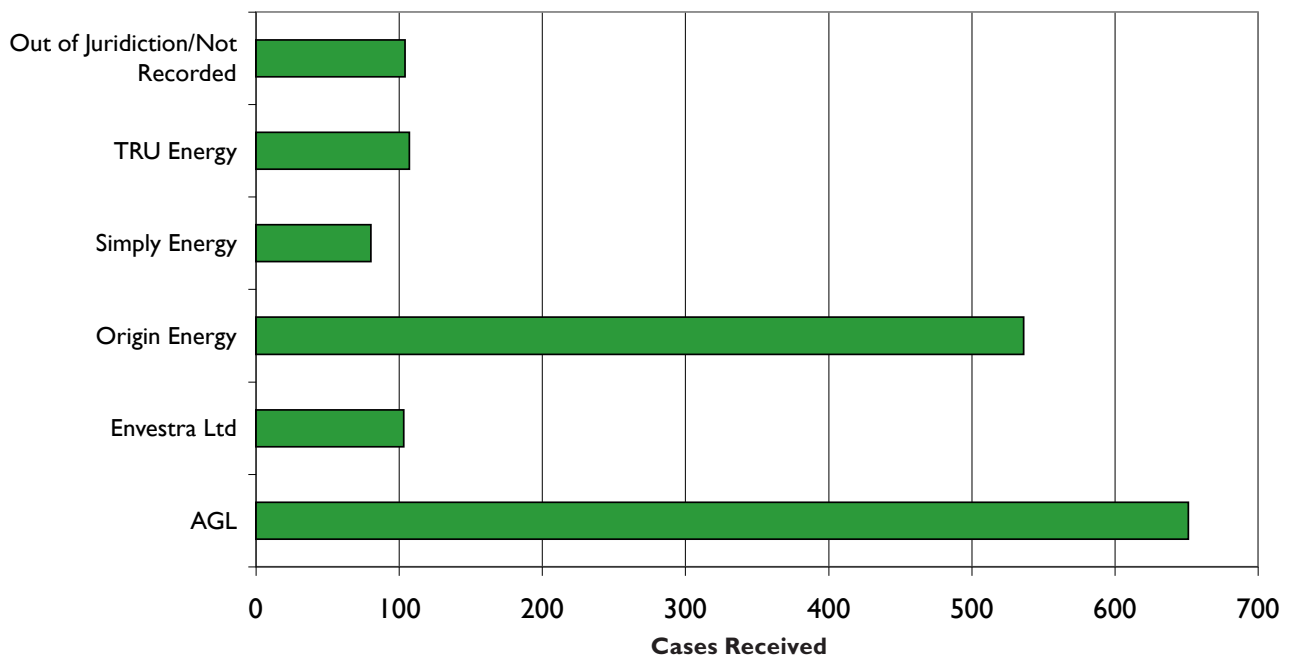


## 2008-09 CASE MANAGEMENT REPORT CONTINUED

### Electricity (& Dual Fuel) Case Received By Provider

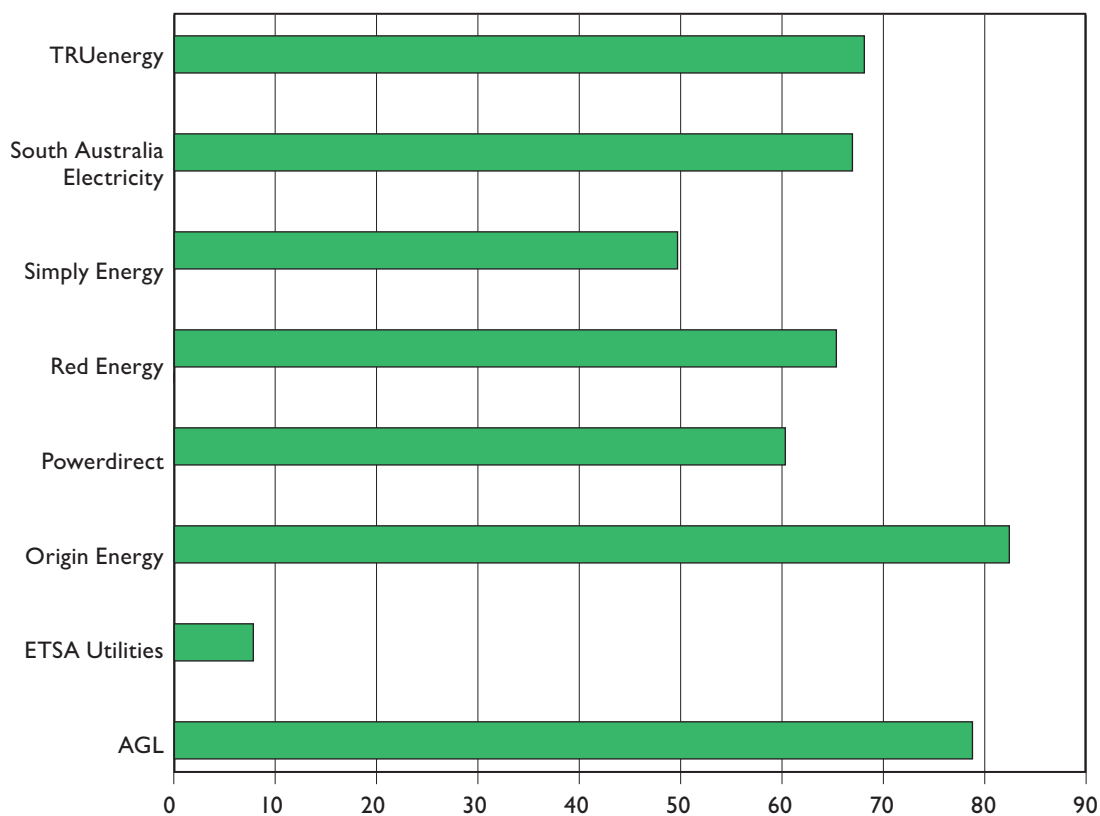


### Gas Cases Received By Provider



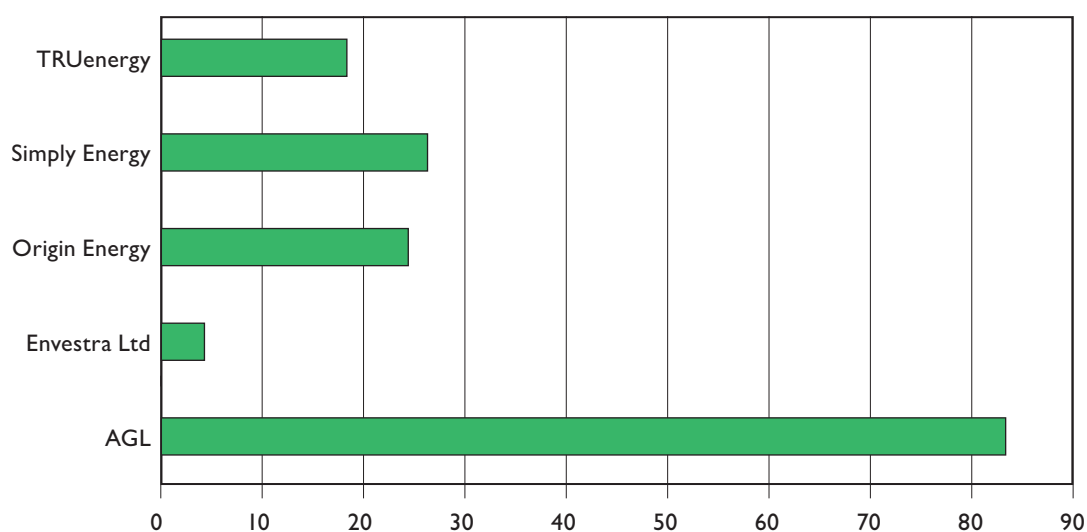
## 2008-09 CASE MANAGEMENT REPORT CONTINUED

### Electricity Cases per 10,000 Customers



Members with fewer than 40 contacts in 2008-09 [Aurora Energy, County Energy, Electranet SA, Jackgreen (International) Pty Ltd and Momentum Energy] were omitted from the table.

### Gas Cases per 10,000 Customers



# FINANCIALS 2008-2009

## INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
Revenues from ordinary activities	<b>1,176,736</b>	1,025,233
Expenses from ordinary activities	<b>1,191,253</b>	1,024,175
Operating Surplus/(Deficit)	<b>(14,516)</b>	1,058

## BALANCE SHEET AS AT 30 JUNE 2009

### CURRENT ASSETS

Cash and cash equivalents	<b>396,016</b>	343,828
Trade and other receivables	<b>22,756</b>	78,029
Other	<b>237,816</b>	189,930

### TOTAL CURRENT ASSETS

<b>656,588</b>	611,787
----------------	---------

### NON CURRENT ASSETS

Property, plant and equipment	<b>164,812</b>	115,148
Rent Bond receivable	<b>17,100</b>	17,100

### TOTAL NON CURRENT ASSETS

<b>181,912</b>	132,248
----------------	---------

### TOTAL ASSETS

<b>838,500</b>	744,035
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### CURRENT LIABILITIES

Trade and other payables	<b>48,467</b>	76,027
Provisions	<b>499,385</b>	351,756
Other	<b>25,907</b>	36,995

### TOTAL CURRENT LIABILITIES

<b>573,759</b>	464,778
----------------	---------

### TOTAL LIABILITIES

<b>573,759</b>	464,778
----------------	---------

### NET ASSETS

<b>\$264,741</b>	\$279,257
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### EQUITY

### ACCUMULATED SURPLUS

<b>264,741</b>	279,257
----------------	---------

### TOTAL EQUITY

<b>\$264,741</b>	\$279,257
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## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

### CASH FLOWS FROM OPERATING ACTIVITIES

Payments received from members	<b>1,292,225</b>	958,385
Interest received	<b>17,675</b>	19,006
Payments to suppliers and employees	<b>(1,059,168)</b>	(928,423)
Interest paid	-	-

### NET CASH FLOWS FROM OPERATING ACTIVITIES

<b>159,855</b>	48,968
----------------	--------

### CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	<b>(107,667)</b>	(43,721)
Proceeds on sale of plant & equipment	-	16,537
Net cash flows from investing activities	<b>(107,667)</b>	(27,184)
Net increase/(decrease) in cash held	<b>52,188</b>	21,784

### CASH AT BEGINNING OF YEAR

<b>343,828</b>	322,044
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### CASH AT END OF YEAR

<b>\$396,016</b>	\$343,828
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**Energy Industry  
Ombudsman SA**



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## **CONTACT DETAILS**

### **Energy Industry Ombudsman (SA) Ltd (EIOSA)**

Have you been unsuccessful in resolving your concern with your supplier or distributor in the first instance? Contact Us

**FREE CALL\*: 1800 665 565** (Monday to Friday 8:30am to 5:00pm)

**FREE FAX: 1800 665 165**

**Email:** [contact@eiosa.com.au](mailto:contact@eiosa.com.au)

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

**Postal Address:** GPO Box 2947 Adelaide 5001

**Address:** Level 7, 50 Pirie Street, Adelaide (by appointment only)

**Translating & Interpreting Service (TIS) Ph:** 131 450

**National Relay Service Ph:** 13 36 77

**ABN** 11 089 791 604

\*Call charges may be higher on mobile phones

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## NOTES





## **Energy Industry Ombudsman SA**

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This Annual Report has been printed on  
a paper stock from managed forests and  
produced using a digital printing process.