

BECOMING A QUEENSLAND ENERGY OMBUDSMAN SCHEME MEMBER



Achieving fair and efficient resolution
of disputes between Queensland's
energy consumers and suppliers.



ENERGY OMBUDSMAN
QUEENSLAND

The Energy Ombudsman Queensland

The Energy Ombudsman Queensland (EOQ) will officially commence from 1 July 2007 and will provide an independent dispute resolution and mediation service for Queensland's energy consumers.

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

We deliver complaint investigation and dispute resolution services about issues including: payment difficulties; account disputes; disconnections; damages; market conduct; contract issues; vegetation management; supply quality & reliability; extensions to supply; connection of supply; Guaranteed Service Level rebates; and equipment issues.

EOQ offices are located in Brisbane, Cairns and Rockhampton, giving us the ability to work directly with Queensland consumers and suppliers in the investigation and resolution of complaints.

Becoming a scheme member

Under the *Energy Ombudsman Act 2006*, from 1 July 2007 all energy distributors and retailers who supply Queensland's small* energy consumers with electricity or gas must become Energy Ombudsman Queensland scheme members.

To become a formal member of the scheme, all energy distributors and retailers must submit a scheme member notification form. Entrant electricity and gas retailers must submit this form within 10 business days from when they enter into a contract for the provision of, or start to provide, customer retail services to a small electricity or gas customer*. Scheme membership takes effect from the date customer retail services are provided to the customer. If a notification form is not submitted within 10 business days, the matter can be referred to the Energy Regulator who may impose a fine.

Incumbent electricity and gas distributors and retailers who supply small electricity and gas customers must also submit this form to become a scheme member. Scheme membership takes effect from 1 July 2007.

Call 1800 662 837 for a copy of the notification form or, from 1 July 2007, visit www.eoq.com.au.

**A small energy consumer is a domestic or small business consumer whose electricity consumption is under 100 megawatt hours per year or gas consumption is under one terrajoule per year.*

Scheme member responsibilities

The Energy Ombudsman Queensland aims to ensure that energy suppliers operating in the Queensland energy market abide by relevant legislation, regulations and codes, and act in a manner which recognises the rights of all consumers.

EOQ contact details listed on final disconnection notices

Under the Electricity Industry Code, energy retailers must include the Energy Ombudsman's contact details on final disconnection notices.

Example of EOQ contact details on final disconnection notices:

If you are experiencing payment difficulties please contact us on [energy retailer's phone number] as we may be able to offer a payment plan that suits your needs. If you still have an unresolved issue after speaking to us, you can contact the Energy Ombudsman Queensland on 1800 662 837 who may be able to assist. Should you have already paid this account, thank you and please disregard this advice.

Marketing Code of Conduct

Scheme members and their marketers are governed by the Queensland Government's strict Electricity Industry Retail Marketing Conduct Rules (Marketing Code of Conduct) which outlines how and when they can contact consumers to promote their services.

Under the Code, marketers must:

- clearly identify who they are, the company they represent and why they are contacting a consumer
- only contact consumers at reasonable times (On weekdays, salespeople can only visit consumers between 9am & 6pm and only call consumers between 9am and 8pm. On Saturday, salespeople can only visit/call consumers between 9am & 5pm. Salespeople cannot contact consumers at any time on a Sunday or a public holiday)
- tell consumers about the ten-day cooling off period
- explain any fees or charges, including cancellation/termination fees
- provide consumers with the written terms and conditions before asking them to sign a contract
- provide consumers with a disclosure statement after signing a contract
- provide timely, accurate, verifiable and truthful comparisons
- ensure information provided is truthful, easy to understand and relevant, and
- leave a consumer's home or end the phone call immediately when asked.

Marketers cannot:

- engage in misleading or deceptive conduct
- exert pressure, or otherwise harass or coerce customers, and
- contact those listed on the Federal Government's 'do not call' register.

Breaches of the Marketing Code of Conduct are treated very seriously and penalties of up to \$100,000 for individuals and \$500,000 for corporations apply.

Scheme member fees

All scheme members must pay a yearly membership fee at the start of each financial year (or when they become a scheme member) and quarterly user-pays fees to cover the costs of the Energy Ombudsman Queensland's (EOQ) functions.

A membership fee must be paid for each type of connection and retail service the scheme member provides. For example, if a scheme member is a gas and electricity retailer they must pay two membership fees. If a scheme member is an electricity retailer and distributor they must pay two membership fees. If a scheme member is a gas retailer they must only pay one membership fee.

The user-pays fees are calculated on a forecast of the scheme member's likely relevant performance costs for the quarter which means scheme members pay in advance and the amount will be adjusted at the end of each quarter to reflect the number of complaints concerning each member during that quarter. Scheme members do not pay interest on the adjustments, whether there is an increase or decrease. A scheme member's relevant performance costs are defined as those costs incurred by EOQ during the quarter to perform its function of resolving dispute referrals made to the ombudsman for the member.

Upon receipt of new membership notifications, EOQ will advise you of the membership fee and estimated user-pays fees that must be paid.

EOQ is fully funded by membership and user-pays fees, therefore in accordance with Section 66(4) and 68(4) of the *Energy Ombudsman Act 2006*, invoices for membership and user-pays fees must be paid within 14 days of receipt. Section 71 of the *Energy Ombudsman Act 2006* provides scheme members pay interest on late payments.

EOQ prepares a budget before 31 March each year for the next financial year. The budget is prepared in consultation with EOQ's Advisory Council and is effective only after approval by the Minister on the recommendation of the Advisory Council and the Energy Ombudsman. If a scheme member does not pay a fee, the State may recover the amount of the fee from the member as a debt.

Jurisdiction

Although the Energy Ombudsman Queensland (EOQ) will be the first point of contact for energy consumers who have been unable to resolve a complaint with their energy supplier, not all disputes between energy consumers and suppliers fall within the jurisdiction of EOQ. Agreements will be established between EOQ and the following regulatory bodies to deal promptly and effectively with any breaches of legislation.

- Queensland Competition Authority
- Department of Mines and Energy (Regulator), and
- Office of Fair Trading.

Energy Ombudsman Queensland Advisory Council

An Energy Ombudsman Queensland Advisory Council will be established to provide expert advice to the Energy Ombudsman on the effective and efficient conduct and operation of the EOQ Scheme.

The Energy Ombudsman Advisory Council will:

- monitor the Energy Ombudsman's independence; and
- advise the Energy Ombudsman on:
 - policy and procedural issues relating to the *Energy Ombudsman Act 2006* (the Act)
 - the operation of the Act for small consumers and relevant occupiers of land, and
 - the preparation of budgets, guidelines, and annual reports.

The Advisory Council will also report on the funding of the Energy Ombudsman's functions to the Minister for Mines and Energy. This advice assists to ensure that the Scheme is administered in a manner which is fair and just to energy consumers and suppliers. The Advisory Council will consist of an independent chairperson and industry and consumer representatives.

EOQ dispute resolution process (from 1 July 2007)

Taking complaints

When a consumer contacts the Energy Ombudsman Queensland (EOQ), we will determine if they have given their energy supplier a reasonable opportunity to resolve their complaint and if we can assist with their type of complaint. If so, they will be assigned an investigation officer who will endeavour to resolve their case.

Notice of investigation

Once an investigation officer is assigned, he/she will provide the relevant energy supplier with an investigation notice that informs them of the complaint details and that an investigation is about to commence.

Investigation procedure

Our investigation officers will use negotiation and/or mediation skills in their attempts to resolve a dispute. The Energy Ombudsman may, by written notice, require the energy supplier to provide relevant documents and/or information to assist with the investigation. The notice will state a reasonable period for the supplier to comply with the request.

Interim orders

During the course of an investigation, the Energy Ombudsman may order an energy supplier (in the form of an interim order) to do, not do or stop doing a particular action concerning the dispute until the investigation ends. For example, if the dispute involves disconnection of a consumer, the order could be that, until the investigation ends, the energy supplier must not disconnect the consumer's power.

Resolving disputes

If the dispute cannot be resolved through negotiation or informal mediation, the Energy Ombudsman may decide to make, or refuse to make, an order (a final order) against the supplier to resolve the dispute.

Final orders

If the Energy Ombudsman decides to make an order in favour of the consumer, the energy supplier can be ordered to:

- pay compensation to the consumer
- provide a non-monetary solution to remedy the dispute
- amend a stated charge
- end a negotiated contract with a consumer, and/or
- carry out corrective work.

Notice of decision

Prior to the Energy Ombudsman making a final decision, a draft decision will be circulated to all affected parties for consideration and comment. The decision of the Energy Ombudsman, and the reasons for the decision, will be in writing.

Acceptance of final order by consumer

The consumer can choose within 21 days of receiving the decision to notify the Energy Ombudsman in writing if they accept or do not accept the final order. If the consumer does not notify the Energy Ombudsman within 21 days, the decision becomes final and the consumer and energy supplier are bound by it. If the order is accepted, the energy supplier can seek a review under the *Judicial Review Act 1991*.

If the consumer elects not to accept the order, the order will not take effect. The Energy Ombudsman must give the energy supplier a written notice about whether or not the order has been accepted.

Enforcement of final orders

The consumer may file the accepted final order in a Magistrates Court. Alternatively, the Energy Ombudsman may file the order on behalf of the consumer. Once filed, the order is taken to be a judgment of that court for the stated amount in favour of the consumer, against the supplier.

If the energy supplier does not comply with a direction given for an order, a maximum penalty of 100 penalty points (one penalty point is \$75) may be applied. In addition, non compliance may be referred to the appropriate regulator under an energy Act.

Operating target timeframes

EOQ aims to resolve most disputes within the following timeframes.

- Routine matters – within ten working days.
- Investigations – within 15 working days.
- Final order - within 30 working days (of allocation to the Energy Ombudsman for formal and final determination).

The Energy Ombudsman Queensland can assist in resolving complaints between consumers and electricity/gas suppliers.

From 1 July 2007 ...



Freecall
1800 662 837



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