

## Regulator awards customer \$56,000 after AGL cut off gas for nearly four months

The state's energy regulator has required AGL to pay \$56,612 to a customer it wrongfully disconnected for nearly four months in 2017.

It's the biggest wrongful disconnection payment required by the Essential Services Commission since early 2017.

Commission chair Ron Ben-David says the Energy Retail Code shows the steps a retailer must follow before disconnecting a customer from their electricity or gas supply.

"There are rules dictating how and when a retailer can disconnect a customer for non-payment of a bill," said Dr Ben-David.

In 2016, the Victorian Government increased to \$500 per day the payment retailers must make to customers when the retailer fails to follow the rules before disconnecting a customer.

"AGL wrongfully disconnected a customer and then left them off supply for 113 days," said Dr Ben-David.

While the Energy and Water Ombudsman Victoria resolves most disputes involving customer disconnections, the most difficult cases are referred to the commission to resolve.

Since April 2018, the commission has reviewed 29 cases. Six were found in favour of the retailer and 12 were found in favour of the customer (five involved AGL, four from EnergyAustralia, two from Red Energy and one from Lumo Energy). A further 11 cases were withdrawn by the retailer and conceded in favour of the customer (see over for more detail).

These requirements are further defined in the [Energy Retail Code](#) which sets the rules electricity and gas retailers must follow when selling energy to Victorian customers.

Customers who are concerned they may have been disconnected wrongfully should contact their retailer, or the [Energy and Water Ombudsman Victoria](#) on 1800 500 509.

**For further information call: Michelle Bryne, Senior Manager, Strategic Communication,  
9032 1324 or 0437 677 385**

## Summary of wrongful disconnection payment cases resolved in 2018

Retailer	\$ WDP	Reason for 'wrongful disconnection'
AGL	\$1,525	Failure to use best endeavours
AGL	\$2,822	Failure to use best endeavours
AGL	\$2,599	Failure to offer two payment plans
AGL	\$7,041	Failure to offer two payment plans
AGL	\$56,612	Disputed amount
EnergyAustralia	\$526	No justification for disconnection
EnergyAustralia	\$45	Failure to offer two payment plans
EnergyAustralia	\$316	Failure to offer two payment plans
EnergyAustralia	\$625	Failure to offer two payment plans
Lumo	\$615	Failure to offer two payment plans
Red	\$7,624	Disputed amount
Red	\$672	Failure to offer two payment plans
	\$81,022	Sub total cases (12) decided by commission in favour of customer
	\$25,281	Sub total cases (11) withdrawn and conceded – paid in favour of customer
	<b>\$106,303</b>	Total paid to customers from cases referred to commission

**Before disconnecting a customer** for non-payment, a retailer must demonstrate it has:

- given the appropriate reminder notices
- used 'best endeavours' to contact the customer to discuss outstanding payments
- offered the customer at least two payment plans within the previous 12 months.\*

\*NB: all requirements may not apply to all customers

A customer cannot be disconnected if they are enrolled in a retailer's hardship program.

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