

## SCHEDULE 4: Voltage variation compensation

In accordance with clause 20.4.8 a *distributor* must compensate any person whose property is damaged due to *voltage* variations outside the limits prescribed by rows 2 to 6 of Table 2 and Table 3 in clauses 20.4.2 and 20.4.3 in accordance with this Schedule.

### 1. Purpose and scope

#### 1.1. Purpose

- (a) This Schedule does not seek to codify existing law on how *distributors* may or may not be liable for damage due to *unauthorised voltage variations*. Instead, in paying compensation to a person in accordance with this Schedule, a *distributor* gives effect to good customer service principles and achieves an efficient allocation of risk. It is these considerations which underpin this Schedule and payment of compensation in accordance with it.
- (b) A person's other rights in relation to an *unauthorised voltage variation* are not affected by this Schedule.

#### 1.2. Scope

- (a) A *distributor* must compensate any person in accordance with this Schedule in respect of damage to the person's property due to an *unauthorised voltage variation* affecting an *electrical installation* to the extent that the amount of compensation the person has claimed does not exceed the jurisdictional limit of the *energy ombudsman*.
- (b) If the amount of compensation claimed exceeds the *energy ombudsman's* jurisdictional limit then, while the *distributor* may still be obliged to compensate the person, the *distributor* is not obliged to do so under this Schedule.

Note: the jurisdictional limit of the Energy and Water Ombudsman (Victoria) Scheme can be found at clause 3.15 of the scheme's charter.

### 2. Claims

#### 2.1. A customer may make a claim

A person may contact a *distributor* with a claim or *complaint* that damage to the person's property is or may be due to an electrical incident affecting an *electrical installation* to which the *distributor's distribution system* is connected.

### 2.2. Required response by distributor

By the end of the second *business day* after a claim or *complaint* pursuant to clause 2.1 is made, the *distributor* must send to the person a claim form which:

- (a) informs the person that the person may be entitled to compensation;
- (b) advises the person that information about *voltage* variation compensation is found in Schedule 4 of this Code of Practice;
- (c) requests the person to provide the *distributor* with:
  - (i) details of the *supply address* affected by the electrical incident;
  - (ii) details the time and date of the electrical incident;
  - (iii) details of the property damaged; and
  - (iv) the amount of compensation the person claims is necessary to compensate the person for the damage to the person's property, on the basis that the person should be no worse off, being either:
    - (A) the cost of replacing the person's property with property of substantially the same age, functionality and appearance; or
    - (B) the cost of repairing the person's property to substantially the same functionality and appearance.
  - (v) that the amount claimed must be supported by quotes, receipts or other evidence; and
  - (vi) evidence of the damage, if requested by the *distributor*.

### 2.3. Statement by qualified person

**2.3.1.** If the *distributor* is unable to confirm that an *unauthorised voltage variation* did affect the *electrical installation* at the relevant *supply address*, the *distributor* may request that the person provide the *distributor* with a statement by a qualified person that the damage to the person's property is consistent with an *unauthorised voltage variation* having occurred.

**2.3.2.** A qualified person for the purpose of clause 2.3 is

- (a) in respect of an *electrical installation*, an *electrician*; and
- (b) in respect of any other item of property, the manufacturer, appliance repairer or other person suitably qualified to assess the damage of the item.

**2.3.3.** A statement pursuant to clause 2.3.1 is satisfactory evidence of damage for the purposes of clause 2.2(c)(vi).

## 3. Payment of compensation

### 3.1. When compensation must be paid

- 3.1.1.** Subject to clause 4, if the person returns the claim form to the *distributor* properly completed and including the details and evidence requested by the *distributor* as contemplated by clause 2.3.1 and 2.3.2 then the *distributor* must not dispute the person's claim, unless:
- (a) the amount claimed is greater than the *voltage variation compensation cap*;
  - (b) the person has made *repeated claims* in connection with this Schedule; or
  - (c) the *distributor* reasonably considers the claim forms part of an abuse of the *voltage variation compensation scheme* as set out in this Schedule.
- 3.1.2.** If the *distributor* does not dispute the person's claim, it must pay the person the amount claimed as contemplated under 2.2(c)(iv).

### 3.2. When a distributor disputes a claim

- 3.2.1.** If the *distributor* is permitted to dispute a person's claim in accordance with clause 3.1.1 and the *distributor* disputes the claim then, once the *distributor* has completed its own assessment of damage to the person's property the *distributor* must:
- (a) pay the person the amount claimed;
  - (b) pay the person the amount necessary to compensate the person for the damage to the person's property, on the basis that the person should be no worse off, being either:
    - (i) the cost of replacing the person's property with property of substantially the same age, functionality and appearance; or
    - (ii) the cost of repairing the person's property to substantially the same functionality and appearance; or
  - (c) reject the person's claim.
- 3.2.2.** If a *distributor* must pay compensation to a person under clause 3.1, in addition, the *distributor* must pay to the person the amount of any reasonable costs incurred by the person in providing any evidence to the *distributor* as contemplated by this Schedule.

## 4. Limits on compensation

### 4.1. Non-payment of compensation

A *distributor* is not obliged to compensate a person:

- (a) unless the damage to the person's property is due to an *unauthorised voltage variation* affecting an *electrical installation* where the aggregate consumption of electricity which is taken from the relevant *point of supply* is less than or, in the case of a new *point of supply*, is not likely to be more than, 160 MWh in any year;
- (b) in respect of any damage to a *business customer's* property due to an *unauthorised voltage variation* affecting an *electrical installation* where:
  - (i) the *business customer* has not taken reasonable precautions to minimise the risk of loss or damage to its business including, without limitation, its equipment and premises which may result from *voltage variations*; or
  - (ii) the property is damaged consequentially by, rather than as a direct result of, the relevant *unauthorised voltage variation*;
- (c) in respect of any consequential loss including any loss of profits;
- (d) if the person enforces or attempts to enforce any other right it may have against the *distributor* in respect of the relevant *unauthorised voltage variation*; or
- (e) if the amount of compensation otherwise required by this Schedule would exceed the *voltage variation compensation cap*, to the extent of the excess.

### 4.2. Timing of assessment

A *distributor* must

- (a) begin and complete any assessment of the damage to a person's property as contemplated by 3.2; and
  - (b) pay amounts under this Schedule
- as soon as practicable.

### 4.3. Determination of voltage variation compensation cap

- (a) The *Commission* may fix the *voltage variation compensation cap* for the purpose of clause 3.1.1(a).
- (b) The *Commission* must notify *distributors* and the *energy ombudsman* of any amount fixed pursuant clause 4.3(a).

### 4.4. Notification of dispute resolution

If a *distributor* does not pay the amount claimed by the person, or if the *distributor* has rejected the person's claim, a *distributor* must, as soon as practicable, provide the person with reasons and inform the person that the person has a right to raise a *complaint* with the *energy ombudsman*.

Note: The number of claims a person must make for the person to have made *repeated claims* for the purpose of this Schedule and the *voltage variation compensation cap* is not made publicly available. A person who is concerned whether a *distributor* has disputed a claim for compensation otherwise than in accordance with this Schedule may raise this issue with the *energy ombudsman*.