

Unplanned Power Outages Compensation Fact Sheet



Information for Victorian electricity customers. This fact sheet explains the compensation process and how we assess claims.

About Power Outages

Why did my power go out?

Power outages are usually caused by weather events, including extreme heat, strong winds, heavy rain, lightning and bushfires. Car accidents and objects such as tree branches and animals can also impact on poles and wires, causing outages. Vandalism, distributor and customer equipment failure, network overload, and underground works can also cause outages.

Power outages are not an event that usually attracts compensation as continuous supply of electricity is not guaranteed.

What is an unauthorised voltage variation?

An unauthorised voltage variation occurs when electricity supplied to a property is outside the voltage limits allowed under the Electricity Distribution Code.

Unauthorised voltage variation can cause damage to equipment and appliances. The most common type is a power surge while other voltage variations can include low voltage or "brownouts".

Power surges are often caused by lightning, vehicles hitting power poles, or other objects, such as tree branches, birds or animals coming into contact with overhead electrical wires.

Some of the rules about compensation following an unauthorised voltage variation are set out in [Guideline 11: Electricity Industry - Voltage Variation Compensation \(Guideline\)](#).

What compensation is available?

Guaranteed Service Levels

You may be entitled to a Guaranteed Service Level (GSL) payment from your electricity distributor if it does not meet service standards for supply restoration or reliability.

Supply restoration payments are based on how much time you were without electricity in a year.

Supply restoration events	Amount
More than 20 hours of unplanned sustained interruptions per year	\$120
More than 30 hours of unplanned sustained interruptions per year	\$140
More than 60 hours of unplanned sustained interruptions per year	\$360
Unplanned sustained interruption of more than 12 hours, and 20 hours or less of unplanned sustained interruptions in that year, where supplied by a CBD feeder or an urban feeder.	\$80
Unplanned sustained interruption of more than 18 hours, and 20 hours or less of unplanned sustained interruptions in that year, where supplied by a short rural feeder or along rural feeder.	\$80

Low reliability payments are based on the number of times you experience supply outages in a year.

Low reliability events	Amount
More than 8 unplanned sustained interruptions per year	\$120
More than 12 unplanned sustained interruptions per year	\$180
More than 24 unplanned sustained interruptions per year	\$360
More than 24 momentary interruptions per year	\$30
More than 36 momentary interruptions per year	\$40

GSL payments are made automatically and are passed from your distributor to your retailer which then applies a credit to your bill (usually the first bill for the calendar year). More information about GSLs can be obtained in your electricity distributors' Customer Charter, available on their website.

Businesses and reasonable precautions

Business customers need to take reasonable precautions to minimise the risk of loss or damage arising from power surges and other electrical quality issues. This is outlined in the Electricity Distribution Code and the Guideline. Reasonable precautions required will vary depending on the nature and size of a business, its equipment, and how reliant it is on electricity.

Generally, a business may be able to demonstrate that it has taken reasonable precautions by:

- having appropriate insurance
- implementing mitigation strategies to limit the amount of damage or loss
- having surge protection devices installed
- having phase failure relay devices installed
- regular back-ups of computer systems
- uninterruptible power supply installed and in some cases, the installation of a back-up generator may be appropriate.

What's not payable under the Guideline

A distributor doesn't have to pay compensation under the Guideline if:

- your business consumes over 160 megawatt hours in a year
- the loss or damage isn't directly related to the power surge (such as loss of profits, or food loss if your fridge wasn't damaged)
- you have already claimed the items through insurance or have started court proceedings
- you have not taken reasonable precautions to minimise the risk of loss or damage to your business.

Food loss

Distributors do not automatically have to compensate for food loss resulting from an outage. Generally, spoiled food will only be considered payable under the Guideline if the appliance storing the food is damaged as a result of the power surge.

You should keep records or proof of the food items lost (such as photos, itemised lists and receipts), before you throw anything away.

“Old-for-old”, not “new-for-old”

If any compensation is paid, this will be “old-for-old” (usually the current market value) rather than the full replacement cost for new appliances or equipment. For a guide to an item’s value, second-hand stores or eBay are often referenced.

Distributors also have the right to have items repaired if this option is cost-effective. Amounts paid by distributors for claimed items are usually lower than the replacement cost for a new item, so customers may choose to claim against their insurance policies if this results in “new-for-old” replacement payments.

Claims for unauthorised voltage variation

Any compensation you may be entitled to is paid in accordance with the Guideline. Key elements of the voltage variation compensation guideline include:

- Compensation to be paid for damage directly resulting from the voltage variation.
- Compensation is paid for repairs (where viable) or the cost of replacement equipment that is of substantially same age, functionality and appearance to the damaged equipment.
- Business customers need to take reasonable precautions to minimise the risk of loss or damage arising from power surges and other electrical quality issues.

Other claims

If you incur damage or any other monetary loss directly related to an incident and it exceeds the GSL monetary limit, you can make an application to claim compensation from your distributor. You may need to provide evidence to support your claim. Your distributor will assess whether compensation is payable or not

How to claim

- Make a claim for damage or loss to appliances or equipment with your distributor.
- Customers need to submit a completed claim form and provide all of the information and evidence requested e.g. repairer’s report, quote, invoice, photos etc.
- Customers usually have to prove the loss or damage has taken place, and show the link between the loss or damage and the distributor.
- Customers need to keep damaged appliances/ equipment, receipts, photos and relevant documentation until the claims process has been completed.
- Distributors can request evidence that the damage to the property was caused by an electrical event.
- Customers may need to have their items inspected by a technical expert, and obtain a report that shows that the damage is consistent with voltage variation. This report becomes evidence that an incident occurred.
- Distributors also have the right to arrange inspections of the property to confirm the damage
- Once your Distributor has received all requested information your claim will usually be assessed and compensation paid (if applicable) within 30 days.

Who is my distributor?

There are five electricity distributors in Victoria: **AusNet Services**, **CitiPower**, **Jemena**, **Powercor** and **United Energy**.

If you are not sure which is your electricity distributor, you can find this information on your bill or by searching your address on this Victorian Government website:

www.energy.vic.gov.au/electricity/electricity-distributors

Talk to your distributor (not your retailer) about power surge damage and claims.

If you have experienced damage, call or visit your distributors' website to make a claim and provide all documentary evidence about the event and loss.



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