



**ENERGY OMBUDSMAN
TASMANIA**

ANNUAL REPORT 2011-2012

ENERGY OMBUDSMAN ANNUAL REPORT 2011-2012

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TABLE OF CONTENTS

HIGHLIGHTS 3

FROM THE OMBUDSMAN 4

ABOUT THE ENERGY OMBUDSMAN 8

COMPLAINT ACTIVITY FOR THE REPORTING YEAR 10

COMPLAINT TRENDS..... 19

ENERGY OMBUDSMAN FINANCIAL REPORT..... 24

HIGHLIGHTS

- 7 per cent increase in complaint files opened during the year (465 to 499)
- 13 per cent increase in complaint files closed (454 to 515)
- 31 per cent increase in enquiries handled (203 to 265)
- Continued discussions with Aurora Energy about the issue of access to meters by meter readers when there is a dog on the property
- Continued discussions with Aurora Energy about systemic solutions to the issue of customers being charged on the wrong tariff

FROM THE OMBUDSMAN

INTRODUCTION

I was appointed as both Ombudsman and Health Complaints Commissioner on 26 March 2012 for a period of five years. I would like to acknowledge my predecessor Simon Allston for his dedicated service to the people of Tasmania as Energy Ombudsman. I would also like to extend my thanks to Richard Connock, who acted as Ombudsman and Health Complaints Commissioner between Simon's departure and my appointment, and Mr Ray McKendrick, the Principal Officer Energy Ombudsman, for their advice and support since my appointment.

This report describes the work of my Office under the *Energy Ombudsman Act 1998* during 2011-12. The report is prepared for the benefit of the energy entities which have funded this work during the reporting year, and for others with a particular interest in this jurisdiction.

My annual report under the *Ombudsman Act 1978* is the formal way in which I report to the Parliament, and hence to the community, on my work as Energy Ombudsman. That report details the work of the Office of the Ombudsman and Health Complaints Commissioner in all of the jurisdictions that we cover. The report is published on my Ombudsman website, www.ombudsman.tas.gov.au.

As can be seen from the statistics in Table 4 of this report, only four of the 515 complaints which were closed in this jurisdiction during the reporting year related to gas. Virtually all of the work in this jurisdiction relates to the supply of electricity by Aurora Energy, and this is because of its monopoly position as the distributor of electricity and as the retailer of electricity to domestic and small business consumers. Hence, this report largely relates to complaints against Aurora Energy.

STATISTICS

Demand for our services in this jurisdiction continues to increase.

The complaint statistics are:

- a seven per cent increase in new complaints received (465 to 499);
- a 13 per cent increase in complaint files closed (454 to 515)
- a 25 per cent increase in enquiries opened and closed during the year (163 to 203);
- a 55 per cent increase in out-of-jurisdiction enquiries (40 to 62); and
- a 31 per cent increase in enquiries generally (203 to 265).

Across the year, an average of 29 per cent of the complaints received each month were addressed using our RHL process, whereby the complaint is referred to

Aurora Energy to give the company an opportunity to quickly resolve the complaint without further involvement from us.

30 complaints were open at the end of the reporting year, a decrease from 46 in the previous year. It necessarily tends to be the case that the files that remain open more than 90 days are difficult ones.

Other statistics which I regard as significant in showing how this jurisdiction is operating are:–

- Between July/Sept 2006 and Jan/March 2012, the percentage of cases which have been closed in less than 28 days has gone from twenty one per cent to sixty four per cent, the percentage closed in less than 60 days has gone from sixty per cent to seventy per cent, and the percentage closed in less than 90 days has gone from seventy eight per cent to eighty per cent.
- Only 30 files were open at the end of the reporting year, compared with 46 the previous year. Of these, four files were open for over 300 days, but were also reasonably close to finalisation. It necessarily tends to be the case that the files that remain open more than 90 days are difficult ones. We are constantly working to reduce the number of files open for more than 300 days, across the Office of the Ombudsman and Health Complaints Commissioner as a whole.

SYSTEMIC ISSUES

Access to meters

There are two major systemic issues to mention. One relates to access to meters, and the other relates to customers being charged for electricity on the wrong tariff.

The issue of access to meters was addressed at some length in my predecessor's last annual report. Many complaints were received from late 2009 and into 2010 as a result of the adoption by Aurora Energy of a policy under which a meter reader was not expected to enter a property where the reader had reason to believe that there might be an unrestrained dog. Under such circumstances, customers were receiving accounts based on an estimate of their electricity consumption, and this was unsatisfactory for many people.

Customers who wished to make sure that their meter was read were being told by Aurora Energy call centre staff that they would have to restrain their dog for a period of seven working days – the anticipated date of the read, as indicated on their last bill – and three working days each side of that date. Understandably, many dog owners found this requirement to be very onerous, and were concerned for the welfare of their animals when restrained over such a long period.

Following protracted discussions between my office and Aurora Energy the following changes were implemented:

- the reduction of the period within which a customer's meter may be read, from seven business days to three business days – the "Approximate Next Read Date", and one business day either side of that date;

- provision of a special reading of the meter at no cost to the customer if the meter is not read during this three-day period and the customer requires an actual read of the meter, as opposed to a bill based upon an estimate of consumption;
- the leaving of a calling card by the meter-reader, if requested by the customer; and
- the introduction of a trial under which customers may read their own meters if they wish, submitting the meter data to the company online.

I continue to receive complaints on this issue but I have found that the solutions put in place by Aurora Energy have provided most complainants with an acceptable outcome.

Wrong tariff issue

We continue to receive a number of complaints from customers who find that they have been paying for electricity on the wrong tariff.

There are two types of wrong tariff complaints. The first involves a customer who is living in a relatively new house, and who finds that they have been paying for their electricity on Tariff 22, rather than on the normal residential tariffs, Tariffs 31 (light and power), 41 (hot water) or 42 (HydroHeat). Tariff 22 is a general tariff that is applicable, in part, to a temporary electricity supply put in place to enable a house to be built. If the electrical contractor responsible for completing the electrical work done in the construction of the house does not submit an Electrical Works Request to Aurora Energy when the building has been completed, requesting a change of tariffs, the electricity consumption at the premises will continue to be charged on Tariff 22.

The second results from the installation of new heating, qualifying the occupier for HydroHeat. In this type of case also, the customer will continue to pay for their electricity on the wrong tariff if the responsible contractor does not lodge an EWR with Aurora Energy to bring about a tariff change. While this issue is more an historical problem, as tariffs 41 and 42 now have the same rates and charges, we do receive some complaints where the wrong tariff issue goes back to the time when tariff 41 was a higher rate than tariff 42.

A frequent problem in these cases is that the electrical contractor who should have lodged the paperwork either cannot be identified, or is not prepared to assist the complainant to address the issue. When this occurs, it is often difficult for the customer to find an electrical contractor who is prepared to lodge the EWR, because the contractor is unable to adequately check the work that was done. Sometimes the property has changed hands, and the disadvantaged customer has no recourse against the electrical contractor who was at fault.

We have entered into discussions with Aurora Energy and with Workplace Standards Tasmania to try to address this issue. We have involved WST because it is responsible for the administration of laws relating to electrical contractors.

For new dwellings, Aurora Energy now installs meters on the residential tariffs (that is, not tariff 22) where the meters can be installed in their permanent location from the start. If a meter is installed on a pole or in a temporary location, it will be on tariff 22 until the installation in the permanent position. In this case, the electrical contractor must note the change of tariff on an EWR requesting installation of the meter in the permanent location.

OTHER MATTERS

The level of liaison between my Office and Aurora Energy continues to grow, but without affecting the independence and impartiality with which we discharge our functions. My staff meet with Aurora Energy staff on a routine basis to discuss outstanding files, and other occasional meetings occur, in which I participate.

I have continued my predecessor's involvement in the work of the Australia and New Zealand Energy and Water Ombudsman Association, and attended a meeting of the Association in Brisbane in June 2012.

Finally, I would like to particularly mention Ray McKendrick and Kirsty Bower, the two members of staff who assisted Simon and who now assist me in this jurisdiction. I thank them both very much for that assistance in the reporting year.

A handwritten signature in blue ink, reading "Leon Atkinson-MacEwen". The signature is written in a cursive style and is positioned above a horizontal line.

LEON ATKINSON-MACEWEN
OMBUDSMAN

November 2012

ABOUT THE ENERGY OMBUDSMAN

FUNCTIONS AND POWERS OF THE ENERGY OMBUDSMAN

A complaint may be made to the Ombudsman under the *Energy Ombudsman Act 1998* concerning any service of, or relating to, the sale and supply of gas or electricity by an energy entity. Gas here means natural gas, and does not include bottled gas or LPG.

Section 5 of the Act outlines the Energy Ombudsman's functions and powers as follows:

The Ombudsman has the following functions:

- (a) *to receive, investigate and resolve complaints,*
- (b) *to make awards and register agreements as awards under Part 4,*
- (c) *to identify and review issues arising out of complaints,*
- (d) *to assist energy entities to develop procedures to resolve complaints,*
- (e) *to perform any other functions imposed on the Ombudsman by this Act; and*
- (f) *to perform any other prescribed functions.*

The section requires the Ombudsman to “act independently, impartially and in the public interest” when performing his or her functions under the Act.

Who can complain?

Section 6 of the Act defines who may make a complaint:

A person may make a complaint if a person has a grievance concerning any service of, or relating to the sale and supply of energy, by an energy entity.

Generally, a complaint is required to be made in writing, to be signed by the complainant, to disclose the name and address of the complainant and to contain details of the grievance. However, the Ombudsman has the power to accept a complaint where these requirements are not met.

When to investigate

Part 3 of the Act provides a reasonably rigid structure under which a complaint should be accepted for investigation. The Ombudsman must dismiss the complaint if satisfied that:

- (i) the complaint lacks substance; or
- (ii) the complaint is frivolous, vexatious or was not made in good faith; or

- (iii) the complainant became aware of the circumstances that gave rise to the complaint more than two years before the complaint was made; or
- (iv) the complainant has been given reasonable explanations and information and there would be no benefit in further entertaining the complaint; or
- (v) the complaint has been resolved; or
- (vi) court proceedings which relate to the subject matter of the complaint have commenced; or
- (vii) all the issues arising out of the subject matter of the complaint have been adjudicated upon or otherwise dealt with by the Regulator or a court, a tribunal, a board or another person under a law of Tasmania, the Commonwealth, a Territory of the Commonwealth or another State.

The Ombudsman may also dismiss the complaint and recommend court proceedings if satisfied that the matters raised in the complaint should be litigated.

A complaint may also be referred to another suitable authority for investigation, for instance the Regulator or Director of Gas.

A complaint must be investigated in any other case.

COMPLAINT ACTIVITY FOR THE REPORTING YEAR

Table 1. Enquiry Activity

| | 2010-11 | 2011-12 | Variance |
|---|------------|------------|------------|
| Enquiries opened and closed in the period | 163 | 203 | 25% |
| Out of jurisdiction enquiries | 40 | 62 | 55% |
| Total Enquiries | 203 | 265 | 31% |

Table 2. Complaint Activity

| | 2010-11 | 2011-12 | Variance |
|--------------------------------------|-----------|-----------|-------------|
| Carried forward from previous period | 35 | 46 | 31% |
| Opened in Period | 465 | 499 | 7% |
| Closed in Period | 454 | 515 | 13% |
| Carried Forward (still open) | 46 | 30 | -35% |

Table 3. Complaint activity 2007-08 to 2011-12

| | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Carried forward from previous period | 52 | 69 | 43 | 35 | 46 |
| Opened in Period | 309 | 302 | 414 | 465 | 499 |
| Closed in Period | 292 | 328 | 422 | 454 | 515 |
| Carried Forward (still open) | 69 | 43 | 35 | 46 | 30 |

Figure I. Complaint activity 2007-08 to 2011-12

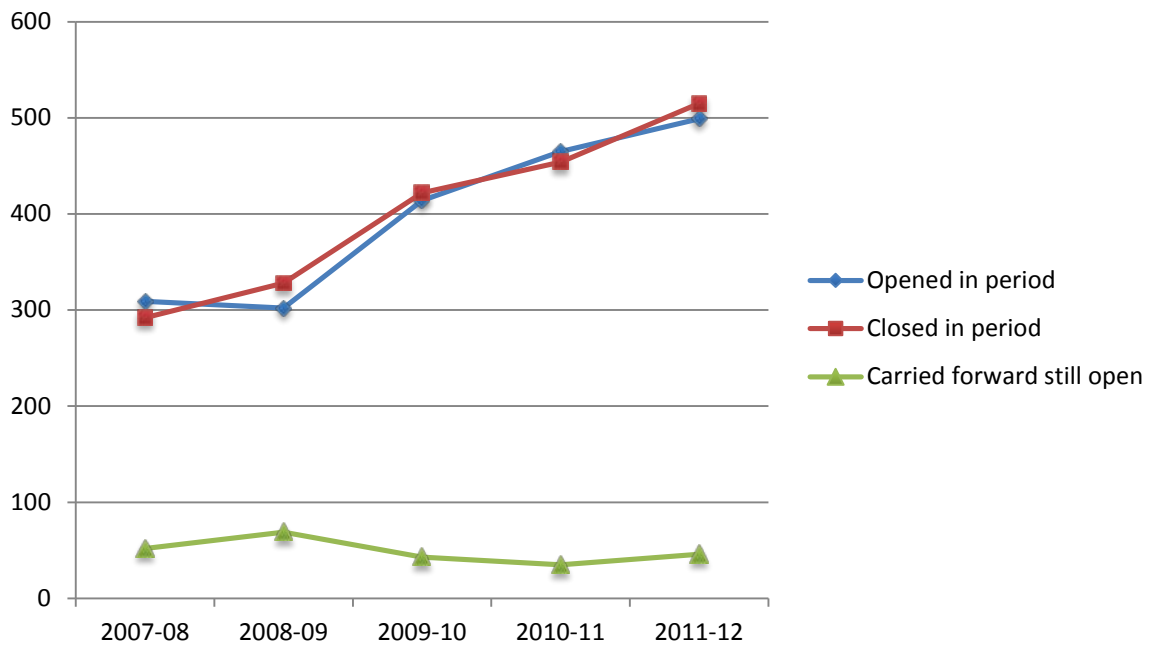


Table 4. Closure reasons by entity

| Closure Reason | Aurora Network | Aurora Retail | Out of Jurisdiction | Tas Gas Retail | Transend Networks | Grand Total |
|---|----------------|---------------|---------------------|----------------|-------------------|-------------|
| Complaints (no action, OOJ, register only) | 2 | 2 | 0 | 0 | 0 | 4 |
| Complaints referred to higher level | 34 | 209 | 0 | 0 | 0 | 243 |
| No further inv - fair/reasonable offer | 0 | 2 | 0 | 0 | 0 | 2 |
| No further inv - insufficient grounds/not warranted | 7 | 22 | 0 | 1 | 0 | 30 |
| No further inv - no further contact from customer | 7 | 29 | 0 | 1 | 0 | 37 |
| No further inv - withdrawn by customer | 4 | 10 | 0 | 0 | 0 | 14 |

Table 4. Closure reasons by entity cont.

| Closure Reason | Aurora Network | Aurora Retail | Out of Jurisdiction | Tas Gas Retail | Transend Networks | Grand Total |
|-----------------------------------|----------------|---------------|---------------------|----------------|-------------------|-------------|
| Out of Jurisdiction | 2 | 4 | 1 | 0 | 0 | 7 |
| Resolved - facilitated resolution | 40 | 69 | 0 | 2 | 3 | 114 |
| Resolved - negotiated resolution | 23 | 41 | 0 | 0 | 0 | 64 |
| Grand Total | 119 | 388 | 1 | 4 | 3 | 515 |

Table 5. Closure reasons by category

| Category | Issue | 2010-11 | 2011-12 |
|----------------|----------------------|------------|------------|
| Billing | Backbill | 0 | 1 |
| | Delay | 4 | 10 |
| | Error | 19 | 27 |
| | Estimation | 36 | 45 |
| | Fees & charges | 23 | 24 |
| | High | 71 | 135 |
| | Meter | 27 | 20 |
| | Other | 15 | 15 |
| | Rebate / concession | 29 | 10 |
| | Refund | 2 | 1 |
| | Tariff | 22 | 29 |
| | Billing total | 248 | 317 |

Table 5. Closure reasons by category cont.

| Category | Issue | 2010-11 | 2011-12 |
|-------------------------|--------------------------------|-----------|-----------|
| Credit | Collection | 6 | 8 |
| | Disconnection / restriction | 28 | 33 |
| | Payment difficulties | 44 | 47 |
| | Credit total | 78 | 88 |
| Customer service | Failure to consult / inform | 4 | 3 |
| | Failure to respond | 14 | 11 |
| | Incorrect advice / information | 9 | 18 |
| | Poor / unprofessional attitude | 5 | 7 |
| | Poor service | 19 | 31 |
| | Privacy | 3 | 1 |
| | Customer service total | 54 | 71 |
| General | Energy / water | 1 | 0 |
| | General total | 1 | 0 |
| Land | Easement | 0 | 3 |
| | Network assets | 14 | 11 |
| | Other | 4 | 1 |
| | Street lighting | 0 | 1 |
| | Vegetation management | 4 | 2 |
| | Land total | 22 | 18 |

Table 5. Closure reasons by category cont.

| Category | Issue | 2010-11 | 2011-12 |
|------------------|----------------------------------|------------|------------|
| Provision | Disconnection / restriction | 3 | 2 |
| | Existing connection | 20 | 13 |
| | New connection | 26 | 30 |
| | Provision total | 49 | 45 |
| Supply | Off supply (planned) | 10 | 8 |
| | Off supply (unplanned) | 22 | 20 |
| | Quality | 1 | 2 |
| | Sustainability initiatives | 1 | 0 |
| | Variation | 1 | 2 |
| | Supply total | 35 | 32 |
| Transfer | Objection / rejected by retailer | 0 | 1 |
| | Transfer total | 0 | 1 |
| | Grand Total | 487 | 572 |

Figure 2. Time taken to resolve complaints

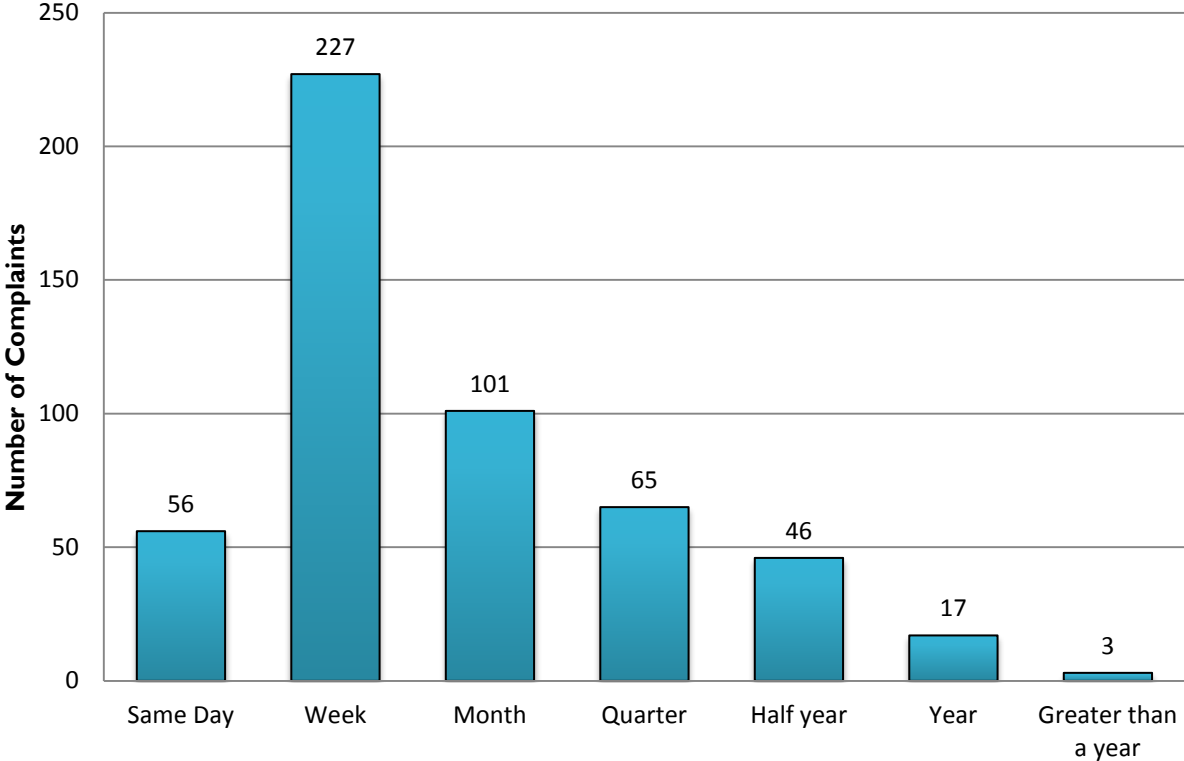


Figure 3. Complaints resolved within 90 days

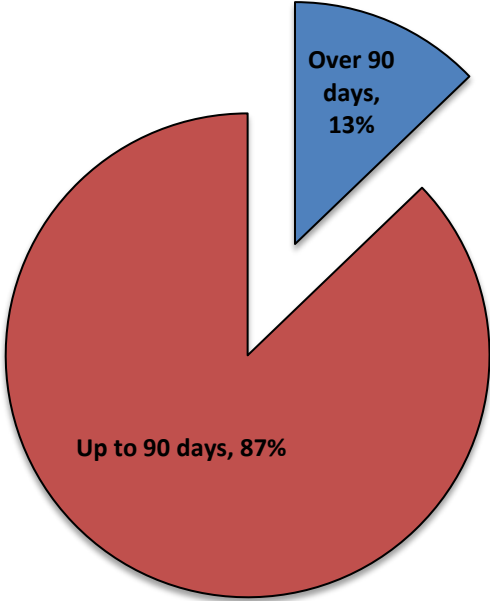
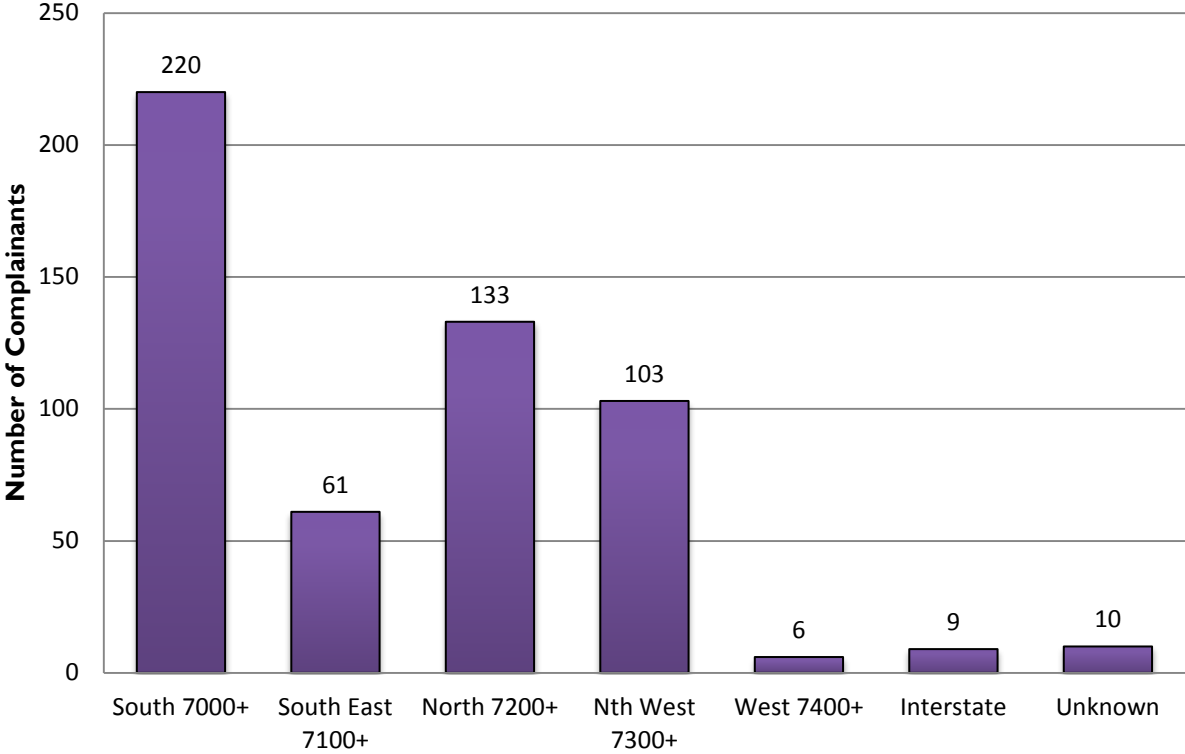


Figure 4. Geographical location of complainants



EXPLANATION OF CLOSURE REASONS (TABLE 4)

1. Complaints - referred to a higher level

A total of 243 complaints were referred to a higher level during the reporting period. This is 34 per cent of all complaints closed for the year. Complaints against Aurora Energy that are not complex and appear to be relatively straightforward are referred to a higher level within the organisation to seek a quick resolution. When we determine that a complaint should be referred back to Aurora Energy, and the complainant agrees to this process, the complaint details are forwarded to the company by email with a request that the complainant be contacted to seek to resolve the complaint. The complainant is advised to come back to us only if Aurora Energy has not contacted them within two business days, if they are not happy with the outcome of the contact with Aurora Energy, or if the complaint has not been satisfactorily resolved within 21 days. Once the email has been forwarded to Aurora Energy, the complaint file is immediately closed as “referred to a higher level”. In the rare event that the complaint is not resolved and comes back to us, we open a new file.

2. No further investigation – fair/reasonable offer

There were only two complaints dismissed under this category during the reporting year. A complaint is closed under this category when the entity suggests or offers a resolution that is accepted by the complainant.

3. No further investigation – insufficient grounds/not warranted

There were 30 complaints recorded under this category. Complaints are closed under this category when it becomes clear that there is no merit in pursuing the matter further. For example, a complaint about a high bill may obviously be the result of the customer's patterns of use and not the result of any billing anomaly. Another example is a complaint about a planned electricity outage, where it is quickly found that the entity has complied with all requirements for the provision of notice.

4. No further investigation – no further contact from customer

37 complaints were recorded in this category during the reporting period, 28 more than last year. Complaints are recorded in this category when a complainant fails to respond to letters or telephone contacts from our office. Often the complainant simply becomes aware that there is little merit in the

complaint or, after initially raising their concerns with us and venting their frustration, they change their mind and do not pursue the matter further.

5. No further investigation – withdrawn by customer

There were 14 complaints in this category. A complainant may withdraw a complaint for a number of reasons. For example, the problem may have resolved itself, the information provided to the complainant may have resulted in a change of mind about a perceived problem, or the complainant may just no longer wish to proceed with the complaint.

6. Out of Jurisdiction

There were seven complaints which were considered to be out of jurisdiction during the reporting period. A complaint is closed under this category when it is not strictly about any service of, or relating to, the sale or supply of, electricity or natural gas by an energy entity: section 6.

7. Resolved – facilitated resolution

There were 114 complaints recorded in this category. Most complaints that fall into this category are where the entity has provided an explanation for the issues raised in a complaint and the complainant has been satisfied with that explanation. These are cases where we have been able to facilitate a response which the complainant has not been able, or would not have been able, to receive without us becoming involved.

8. Resolved – negotiated outcome

There were 64 complaints closed in this category during the reporting year. Complaints are recorded in this category where a mutually acceptable outcome has been reached, following negotiations between the entity and our Office, to resolve the issues raised by the complainant. This category differs from "facilitated resolution", in that we become involved in the ongoing process of negotiation to achieve an outcome, usually in the form of a positive result for the complainant.

COMPLAINT TRENDS

The majority of the complaints received in the Energy jurisdiction relate to Aurora Energy (507 complaints out of 515). Therefore, this section of the report is essentially an analysis of complaints about services which that company provides.

There were 499 complaints opened during the reporting year, an increase of 7 per cent from the previous year. These 499 complaints raised 572 separate issues.

Complaints against both the Energy and Distribution businesses within Aurora Energy have increased, although the Network related complaints have only slightly increased.

Billing complaints now represent over 50 per cent of all complaints. Disputed higher-than-expected accounts, access to meters and estimated meter readings continue to be the major issues in this Category.

The large increase in high bills is partly the result of the combination of a sudden period of cold weather around early June 2011 and partly the result of increases in electricity prices on 1 July 2011. This led to a spike of complaints in and around October 2011.

Complaints about estimated accounts and incorrect tariffs continue to rise despite the work done on these issues by my office and Aurora Energy. It would appear that customers will continue to complain simply because their consumption has been estimated, regardless of the efficiencies put in place to address this issue. Incorrect tariff complaints are generally the result of the electrical contractor failing to submit paperwork in a timely manner, if at all.

It is interesting to note that complaints in the Provision, Supply and Land categories have stayed around the same or decreased slightly from the last reporting year. The Aurora Energy Distribution Business has a range of processes in place to deal with complaints in-house. As a result, complaints to my Office remain relatively stable.

Some customer service complaints can be attributed to customers, with network issues, being presented with poor responses from the Customer Services Operators who do not have the requisite technical expertise to provide a meaningful explanation.

Billing

There were 317 complaints involving billing issues for the reporting year, a significant increase on the last year and representing over 50 per cent of all complaints.

The majority of complaints in this category relate to high, disputed accounts which have almost doubled from last year. The high bill complaints have been a consistent theme throughout the reporting year, although spiking in October 2011 as previously noted.

High bill complaints can be very difficult to investigate, as complainants often underestimate their usage. It is also common for complainants to look at the dollar figure on their statement rather than the units consumed (the more accurate indication of usage patterns). Often it is possible to liaise with Aurora Energy to provide the complainant with a history of their consumption to demonstrate that, when seasonal fluctuations are considered, their patterns are often within reasonable variations.

Complaints about electricity accounts based on estimated consumption has also risen. This is largely the result of the dog policy, whereby meter readers will not enter a property with a dog if they cannot see that the dog has been restrained. Although there have been improvements implemented to deal with Aurora Energy customers who have dogs, there clearly remains some concern where a customer believes they have addressed the access issues but still cannot have their meter actually read. This is particularly the case where the animals are restrained out of view of the front of a property and the meter reader is reluctant to enter the property unless the restraint can be sighted.

Complaints about incorrect tariffs have risen slightly. As detailed above, incorrect tariff complaints are often the result of an electrical contractor failing to submit an Electrical Works Request (EWR) to Aurora Energy in a timely manner. In such cases I have no role as the issue is between the Aurora Energy customer and their electrical contractor.

Credit

There were 88 complaints regarding credit-related issues during the reporting year, an increase of almost 13 per cent on the number recorded in 2010-11.

Complaints in this category arise when a complainant is threatened with the disconnection of their electricity supply for non-payment of an account, or when their electricity supply has already been disconnected. Most complaints of this type are from customers who are experiencing difficulties in paying their accounts. A few credit complaints can be attributed to complainants who refuse to pay a disputed account or who have failed to pay an account from a past residence.

My Investigation Officers often work with Aurora Energy to place a hold on the disconnection for a limited period to provide time to investigate the complaint or to give the complainant time to pay their debt or to make an arrangement to pay the arrears (and for ongoing consumption), through a payment plan, over a period of time.

There is provision for an electricity customer to obtain a hardship payment from a welfare agency to assist in meeting a debt on their electricity account. Such payments arise from an agreement between the State Government and Aurora Energy, under which an amount of around \$330 000 was made available by Aurora Energy in 2011-12. This is administered by welfare agencies to members of the community having difficulty in paying their account.

Access to hardship assistance can be a short term help to many customers, but it should not be seen as a solution in itself. The payment of hardship assistance to a customer can ease them out of a difficult situation, but longer term solutions revolve around the financial advice provided by welfare agencies administering payments to Aurora Energy customers.

Complaints in this category are trending up, which probably reflects the cost-of-living pressures experienced by many households. It is a reasonable expectation that the number of these complaints will increase as utility charges compete with food and rent on the limited budget of many Tasmanian households.

Customer service

There were 71 complaints in this category, an increase of 17 from the 54 recorded last year. Complaints in this category have risen from only 21 in the 2008-09 reporting year, which is a reflection of changes that have been taking place within Aurora Energy from the operation of the call centre to the separation of the Distribution and Energy businesses.

As has been reported previously, complaints in this area are largely the result of frustration experienced when an Aurora Energy customer cannot have their concerns addressed immediately by a person with knowledge in the area of the complaint.

It is our experience that complainants are often satisfied if they can be provided with a clear explanation of their concerns from a person who is able to understand and address the issues raised. In effect, customers tell us that they are left feeling that the customer service centre is little more than a barrier to any meaningful resolution of their concerns. As reported last year, Aurora Energy would greatly improve its customer relationships if referrals to more senior officers could be made from the call centre when appropriate, rather than the customer becoming frustrated through an inability to discuss their concerns with someone who understands the issues or who is able to do something about it, and then coming to my Office.

Provision

There were 45 complaints in this category, 4 less than last year.

Generally, the complaints in this category are made when the delay in having a connection made exceeds the prescribed timeframes.

A number of complaints in this category relate to the installation of solar systems. For example, customers have installed solar systems and had Aurora Energy provide a Tariff 110 (import/export) meter only to find they were not receiving any solar credits. We found that Aurora Energy would install the meter but not activate the system as this was, correctly, the responsibility of the installer/electrical contractor or customer.

There has been a decrease in the number of complaints regarding weather related delays. Aurora Energy has sought to ensure these customers are provided with up to date information about the reasons for the delay and the expected time frame for the connection to occur.

Supply

There were 32 complaints regarding supply-related issues for the reporting year, three less than last year.

The majority of complaints in this category relate to either planned or unplanned outages that result in the loss of perishable food items or damage to household electrical items. A complainant must submit a claim for compensation with Aurora Energy before I can investigate further.

Given the very nature of a distributed electricity supply that any number of impacts, such as vegetation, bird or lightning strikes can cause an unplanned outage, it is generally difficult to find that Aurora Energy is liable for losses that occur.

A Distribution Network Service Provider cannot guarantee supply for 100 per cent of the time and risks associated with impacts, outside the control of the DNSP, must be accepted by the customer. Aurora Energy advises customers to ensure protection devices are installed, to lessen the likelihood that electrical items will be damaged as a result of an outage.

Planned outages are obviously necessary from time to time, and such outages can cause some disruption to customers. Aurora Energy can be liable for damage or losses incurred by a customer if the procedures around the outage have not been properly adhered to. Even a properly conducted planned outage, however, can cause damage to a customer's electrical items.

Land

There were 18 complaints recorded in this category, down from 22 last year.

Complaints in this category are related to the placement of Aurora Energy network assets, such as poles and wires and overhead or ground mounted transformers. Complaints regarding vegetation management and easement issues are also included in this category.

Complaints about the placement of network assets can include broad visual amenity issues, or can relate to noise from transformers and conductors or the health risks associated with an electromagnetic field around transformers and conductors.

Generally these complaints revolve around the expected impacts from an overhead electricity distribution system and any compromise, to comply with a customer's particular desired outcome, should reasonably be financed by that customer rather than being subsidised by the broader customer base.

ENERGY OMBUDSMAN FINANCIAL REPORT

as at 30 June 2012

T141 – ENERGY OMBUDSMAN

| | |
|------------------------------------|--------------------|
| Opening Balance | (\$12,430) |
| Income | |
| Revenue | \$ 469,101 |
| Expenditure | |
| Salary Expenditure | \$ 321,312 |
| Other Employee Related Expenditure | \$ 3,705 |
| Information Technology | \$ 20,958 |
| Materials, Supplies and Equipment | \$ 11,016 |
| Travel and Transport | \$ 9,428 |
| Property Expenses | \$ 69,102 |
| Finance Expenses | \$ 1,358 |
| Other Expenditure | \$ 52,600 |
| Consultants | \$ 3,532 |
| Total Expenditure | \$ 493,011 |
| Closing balance | (\$ 36,340) |