

ENERGY OMBUDSMAN
TASMANIA

Annual Report 2008–2009

TABLE OF CONTENTS

FROM THE OMBUDSMAN.....	1
ABOUT THE ENERGY OMBUDSMAN.....	3
COMPLAINT ACTIVITY FOR THE REPORTING YEAR	5
SIGNIFICANT ISSUES	12
CASE SUMMARIES	16
ENERGY OMBUDSMAN FINANCIAL REPORT AS AT 30 JUNE 2009.....	20

FROM THE OMBUDSMAN

This report describes the work of my office under the *Energy Ombudsman Act 1998* during 2008-2009. As the Act does not require the preparation of an annual report, it is prepared for the benefit of energy entities and others who have a particular interest in the 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 also details the work of the Office of the Ombudsman and Health Complaints Commissioner in the many jurisdictions that we cover. The report can be viewed at www.ombudsman.tas.gov.au.

The demand in this jurisdiction continues to increase. The number of new complaints received during the year increased from 227 to 304, an increase of 34% on the previous year. The number of complaints closed during the year also increased, from 292 to 328, a 30% increase. We still manage to close approximately 80% of cases within the first three months, and more than 35% within a week.

We have also logged an increase in enquiries. These have gone from 82 to 155, an increase of 89%. I regard this as not necessarily reflecting an increase in workload. The transition to our new *Resolve* case management database in October 2008, together with new office systems, has led to greater discipline and accuracy in recording the constant workload of addressing enquiries that do not necessarily lead to the lodging of a complaint. Often it is a matter of referring the person making the enquiry to the energy entity involved, or to another complaint management service.

Most of the work in this jurisdiction relates to services provided by Aurora Energy Pty Ltd, because of its position as the sole retailer of electricity to domestic and small business consumers. The proportion of the complaint load attributable to this one company went from 97.4% of the closed complaints in 2007-2008 to 97.8% in the reporting year. Only one of the 322 electricity complaints closed was against another electricity entity, this being against Hydro Tasmania.

Only six of the 328 complaints closed during the year related to gas, and only four of the 304 new complaints opened during the year were against a gas entity.

We have continued with the process introduced in 2006-2007 of referring suitable complaints back to Aurora Energy upon receipt, for immediate internal action by the company. The number of new complaints dealt with in this way during this year was 84, or 28% of the total. The corresponding figure in 2007-2008 was 108, or 48%. This would suggest that complaint management processes in Aurora Energy may have improved.

Readers of this report may notice that the data on complaint issues dealt with during the year is presented differently from previous years. This makes comparison with previous issues data difficult and potentially misleading. The new presentation results from the adoption of a new system of categorising complaints, as part of our transition to the new case management database. This system has been adopted by ANZEWON, the Australia and New Zealand Energy and Water Ombudsman Network, with a view to enabling the members of the Network to better compare the

performance and experience of our respective offices. The adoption of comparable data also makes it possible to present a national picture, which becomes progressively more important as national regulation of the energy market develops.

I thank Ray McKendrick, Principal Officer (Energy), and Kathryn Holden, Investigation Officer, for the help that they have given me in managing this jurisdiction during the year.

SIMON ALLSTON
OMBUDSMAN

September 2009

ABOUT THE ENERGY OMBUDSMAN

HISTORY

Prior to the disaggregation of the Hydro Electric Commission in 1998, responsibility for the protection of consumer interests in relation to electricity was vested in the Office of the Electricity Regulator. Following a review of options available to persons dealing with electricity entities over complaints they had been unable to directly resolve, the Regulator discovered the only recourse available was through the civil courts, the State Ombudsman or the Office of Consumer Affairs. In particular, the only way a complainant could seek compensation was through the courts.

From a review of dispute resolution schemes operating for other industries, the Regulator concluded that there was significant scope for an Industry Ombudsman scheme for Tasmania's electricity supply industry. The *Electricity Ombudsman Act 1998* was the result, and gave the Electricity Ombudsman similar functions to the State Ombudsman. This was in recognition of the existing experience of the office in operating an Ombudsman scheme.

With the introduction of natural gas to the Tasmanian energy market, some amendments were made to the Act in November 2004 and the title is now the *Energy Ombudsman Act 1998*. Complaints may be made against both electricity entities within the meaning of the *Electricity Supply Industry Act 1995* and gas entities within the meaning of the *Gas Act 2000*, collectively described in the *Energy Ombudsman Act 1998* as "energy entities".

A complaint under the Act may be made 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.

FUNCTIONS AND POWERS OF THE ENERGY OMBUDSMAN

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

- (1) *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.*

- (2) *The Ombudsman has power to do all things necessary or convenient in connection with the performance and exercise of his or her functions and powers under this Act.*
- (3) *In performing and exercising his or her functions and powers, the Ombudsman must act independently, impartially and in the public interest.*

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, it is at the Ombudsman's discretion whether some or all of these terms are required, depending on the individual circumstances of the complainant.

WHEN TO INVESTIGATE

Part 3 of the Act provides a reasonably rigid structure under which a complaint should be accepted for investigation. Following preliminary enquiries, the Ombudsman must determine whether:

- (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 been 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.*

A complaint must be investigated in any other case.

COMPLAINT ACTIVITY FOR THE REPORTING YEAR

Enquiry Activity
Table 1

	2008/09	2007/08	Variance	Movement
Enquiries opened and closed in the period	121			
OOJ Enquiries	34			
Total Enquiries	155	82	73	89% increase

Complaint Activity
Table 2

	2008/09	2007/08	Variance	Movement
Carried forward from previous period	69			
Opened in Period	304	227	77	34% increase
Closed in Period	328	292	36	12% increase
Carried Forward (still Open)	45			

Closure Reasons by Entity
Table 3

Provider Name	Complaints referred to higher level	No further inv - fair/reasonable offer	No further inv - insufficient grounds/not warranted	No further inv - no further contact from customer	No further inv - withdrawn by customer	Out of Jurisdiction	Resolved - facilitated resolution	Resolved - negotiated resolution	Grand Total
Aurora Energy	84	10	18	14	1	2	99	93	321
Hydro Tasmania							1		1
Powerco			1						1
Tas Gas Retail				3			2		5
Grand Total	84	10	19	17	1	2	102	93	328

EXPLANATION OF CLOSURE REASONS

1. **Complaints referred to a higher level:** A total of 84 complaints were referred to a higher level during the reporting period. Complaints against Aurora Energy that are not complex and appear to be relatively straight forward are referred to a higher level within the organisation to seek a quick resolution. When the Ombudsman determines 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 the Ombudsman 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”. If the complaint comes back a new file is opened.
2. **No further investigation – fair/reasonable offer:** There were ten 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 19 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 could be a complaint about a planned electricity outage, and 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:** This category recorded 17 complaints for the reporting period. Complaints are recorded in this category when a complainant fails to respond to letters or telephone contacts from the Ombudsman. Often the complainant simply becomes aware that there is little merit in the complaint or, after initially raising their concerns with the Ombudsman and venting their frustration, they change their mind and do not pursue the matter any further.
5. **No further investigation – withdrawn by customer:** There was only one complaint in this category. A complainant may withdraw a case for a number of reasons. For example, the problem may have resolved itself, the information provided along the way 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:** Two matters were deemed to be out of jurisdiction during the reporting period. A complaint is closed under this category when it is identified that it is not strictly about any service of, or relating to, the sale and supply of, electricity or natural gas by an energy entity: *Energy Ombudsman Act 1998*, section 6.
7. **Resolved – facilitated resolution:** There were 102 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 the Ombudsman has

been able to facilitate a response that the complainant has not been able, or would not have been able, to receive without the Ombudsman becoming involved.

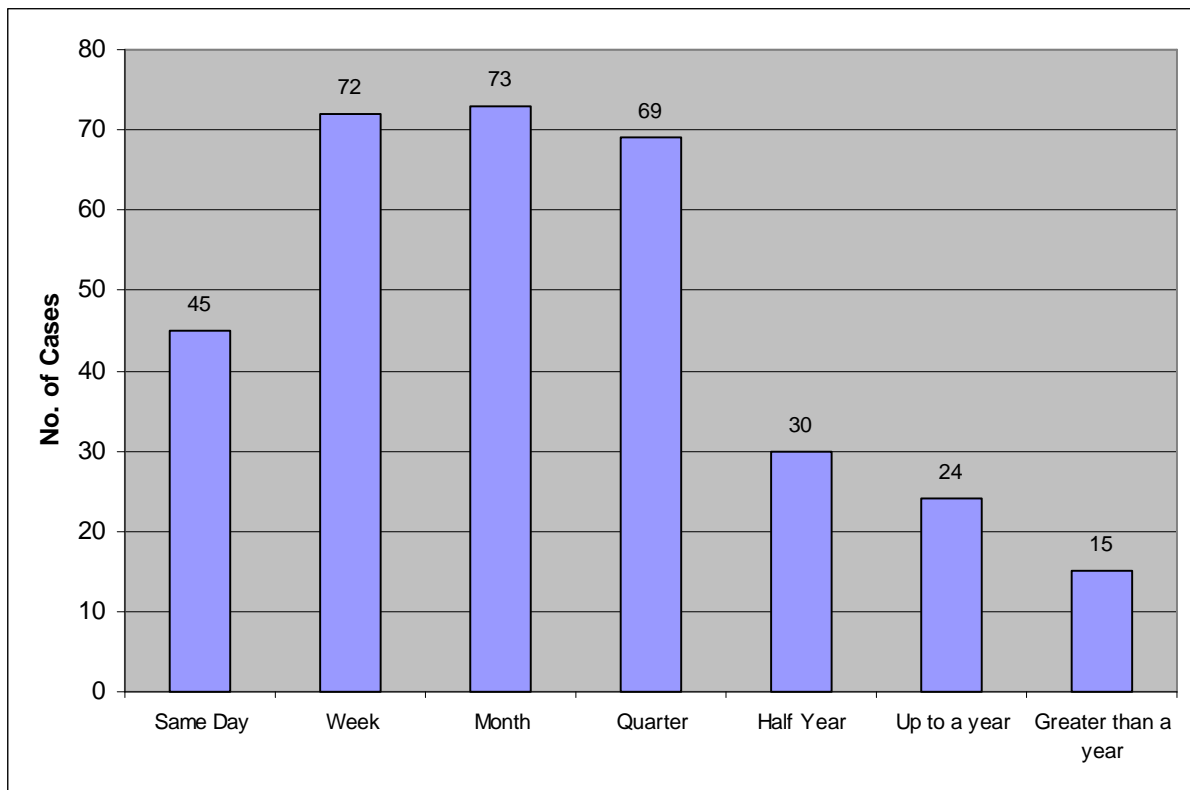
8. **Resolved – negotiated outcome:** There were 93 complaints closed in this category during the reporting year. Complaints are recorded in this category where a mutually acceptable outcome has been reached, following negotiations between the entity and the Ombudsman, to resolve the issues raised by the complainant. This category differs from "facilitated resolution" in that the Ombudsman is involved in the ongoing process of negotiation to achieve an outcome, usually in the form of a positive result for the complainant.

Complaint Issues

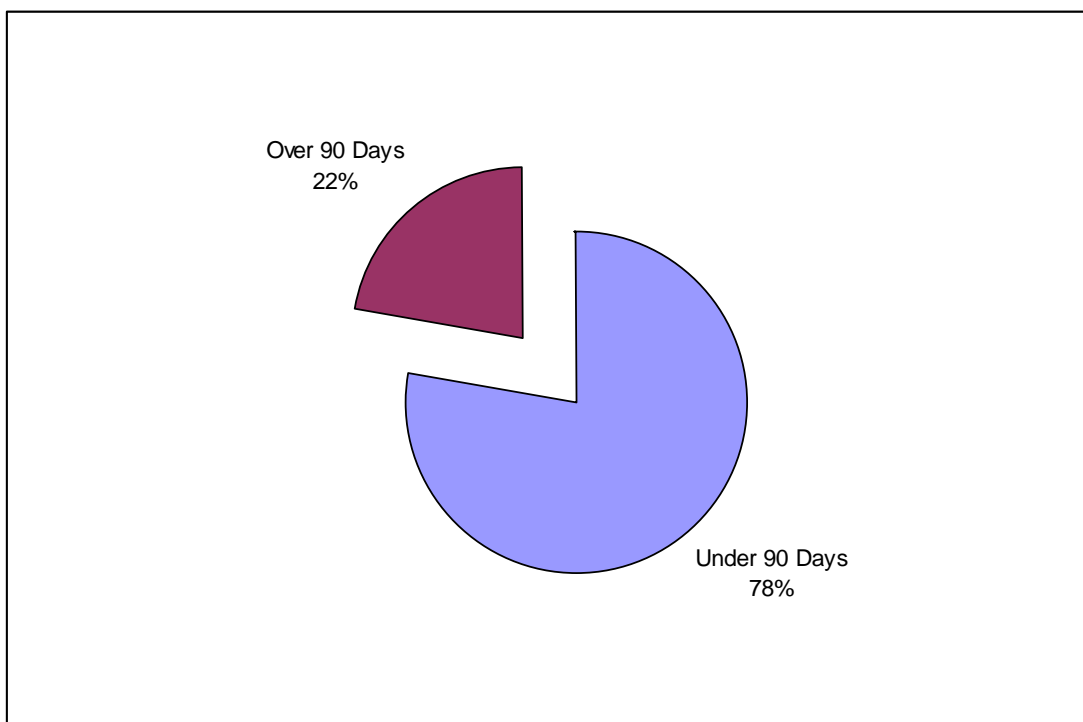
Table 4

Category	Issue	2008/09
Billing	delay	3
	error	29
	estimation	4
	fees & charges	14
	high	52
	meter	27
	other	2
	rebate / concession	11
	tariff	10
Billing Total		152
Credit	collection	4
	disconnection / restriction	21
	payment difficulties	35
Credit Total		60
Customer service	failure to consult / inform	7
	failure to respond	3
	incorrect advice / information	6
	poor / unprofessional attitude	1
	poor service	3
	privacy	1
	Customer service Total	
Land	network assets	10
	other	1
	street lighting	1
	vegetation management	5
Land Total		17
Provision	disconnection / restriction	7
	existing connection	23
	new connection	31
Provision Total		61
Supply	off supply (planned)	8
	off supply (unplanned)	15
	quality	4
	variation	2
Supply Total		29
Grand Total		340

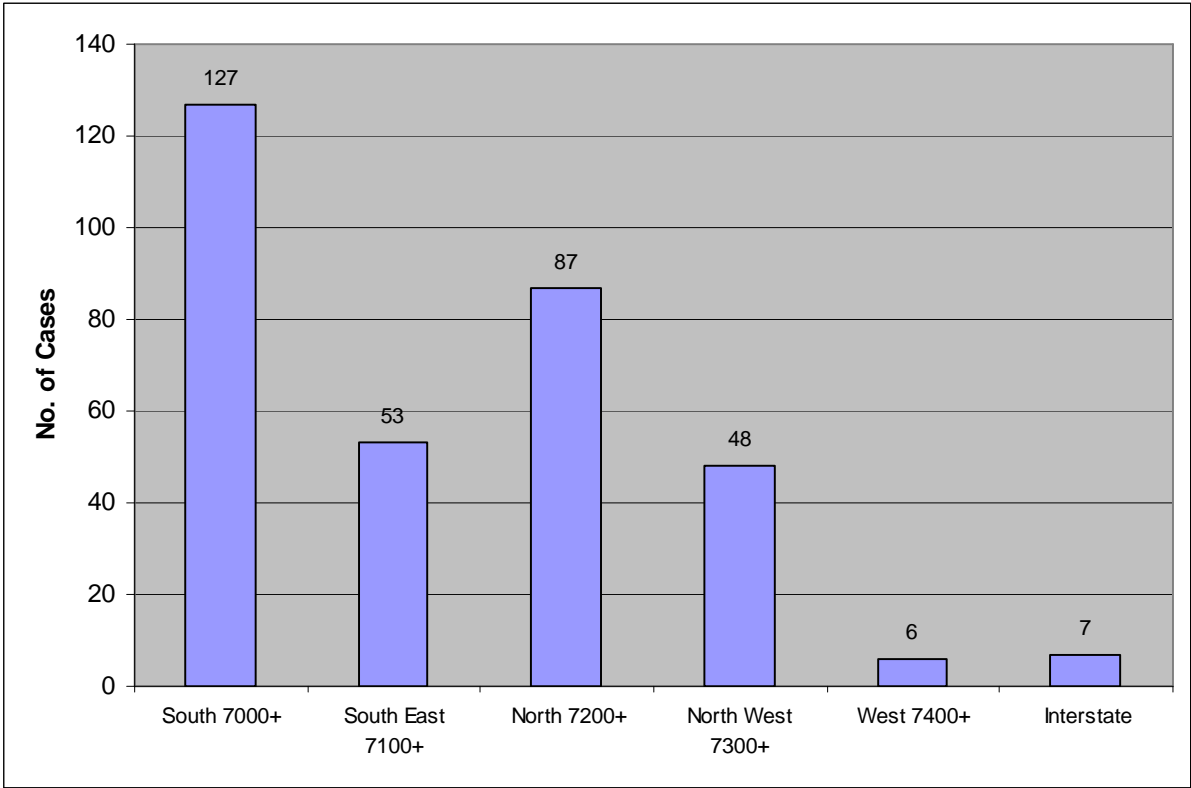
Time taken to resolve complaints
Figure 1



Complaints resolved within 90 days
Figure 1a



Geographical location of complainants
Figure 2



COMPLAINT TRENDS

There has been a significant increase in the number of new complaints received for this reporting year. In 2007-2008, 227 new complaints were received, whereas 304 new complaints were received during 2008-2009. These 304 complaints raised 340 separate issues. As this shows, a complaint can raise more than one recorded issue.

For this reporting year, it is difficult to provide meaningful trends in the different categories of complaints. This is because we have redefined complaint issues to fall into line with issues reported on by other jurisdictions in the Australia and New Zealand Energy and Water Ombudsman Network (ANZEWON). Further, the transition to the *Resolve* customer management system has also had an effect on the information reported on, particularly in providing more precise data across the reporting fields.

With these changes, it will be possible in the future to provide far more consistent commentary on trends across the energy jurisdiction on a year by year basis.

Despite the difficulty in comparing this year with last year, and the overall increase in complaint numbers, there has not been any significant move in any of the complaint categories.

Since 98% of the complaints received relate to Aurora Energy, this section of the report is essentially an analysis of complaints about services provided by Aurora Energy.

Billing

There were 152 complaints involving billing issues for the reporting year.

Over one half of the billing complaints were about disputed accounts or perceived errors in the accounts provided.

Billing issues comprise almost 50% of all issues raised with the Ombudsman. Increases in standard tariffs have caused concern for electricity customers who find it hard to understand increases in their electricity accounts.

One issue that arose on a number of occasions was the delay in some Aurora Energy customers receiving electricity accounts. It is apparent that as a result of Aurora Energy moving to a new billing system, to comply with the requirements of the national market, many customers received accounts for two or three quarters at the same time. This caused concern for customers who had budgeted for quarterly accounts, or who had found a sudden high bill difficult to manage. Aurora Energy was aware of this problem and put in place payment plans or other acceptable payment options for complainants who raised this issue with the Ombudsman as a complaint.

Credit

This is a new category, separating credit issues from billing issues. Complaints about credit issues usually arise from difficulties a complainant experiences in paying arrears on their account, and the disconnection or pending disconnection that may arise from the non payment.

It is a reflection of the difficulties many people face with paying accounts that the Ombudsman received 60 complaints in this category for the reporting year.

In particular, there were 35 complaints which raised payment difficulties. These are difficult complaints to resolve, although where a complainant is genuine in their attempt to pay arrears it is generally possible to find some option or payment plan that allows for payment of arrears and ongoing consumption.

It is rare for a welfare agency to be able to make a significant contribution to resolving these cases, using the hardship monies made available by Aurora Energy to such organisations. As the monies are spread thinly, it is often the case that a complainant can only obtain a benefit of only \$100 to \$200.

A small percentage of complaints in this area are from electricity customers who come to the Ombudsman as a last resort, or who have a history of poor payment. These cases can be very difficult to resolve.

Customer service

There were 21 complaints in this category that mainly involved a failure to consult or provide information. Complaints about call centre services fall into this category.

It is not unusual for a complainant to include customer service issues as an aside to a complaint over another issue. However, the Ombudsman will generally only investigate customer service issues that are the primary reason for a complaint, rather than a side issue arising from a complainant's frustration.

Provision

Complaints in this category are down a little from last year. Many of the complaints relate to new connections being delayed, and thus outside prescribed timeframes. This issue continues to be a cause for some concern. The Ombudsman intends to continue to monitor Aurora Energy's ability to respond in a timely manner to requests for new connections.

Supply

Complaints in this category have dropped a little from last year.

However, complaints associated with unplanned outages have risen from last year. These complaints generally relate to damage to a customer's electrical items. Unless Aurora Energy has acted negligently or inappropriately, such complaints are difficult to resolve in the complainant's favour. An electricity customer is expected to take some action to protect electrical equipment, as the electricity supply can be impacted from a number of sources outside the responsible entity's control.

Impacts such as bird strikes, wind borne vegetation or a car impacting a power pole can give rise to outages that are outside the control of the entity.

Land

Complaints recorded in this category might relate to alleged damage to a customer's property as a result of provisioning work, or the use of easements. Complaints might also be about access to meters or the actual placement of meters or transmission towers. Land related complaints remain much the same as last year.

SIGNIFICANT ISSUES

EASYPAY

Aurora Energy offers a number of payment options for customers seeking to manage their electricity accounts over a year, rather than paying the account as it is rendered each quarter.

These alternative payment methods include EasyPay, CentrePay, direct debits and prepayment meters. Payment plans are also negotiated where a customer has a debt and seeks an arrangement where they pay an amount on a regular basis that covers a part of the debt together with ongoing electricity consumption.

The Ombudsman has recently become concerned with the manner in which EasyPay operates, and has received a number of complaints from people who have found that they have accrued a significant debt by the end of 12 months on the EasyPay option. It is understood that when a customer requests to go on to EasyPay, Aurora Energy calculates their annual use, based on the previous year's electricity consumption plus 10%, and then puts in place a process for regular payments towards the account.

Aurora Energy reviews a customer's EasyPay plan each 12 months. The complaints received by the Ombudsman are from customers who have built up a debt over the previous 12 months and are finding difficulty in affording the increased payments required to enter into a plan for the next year.

The debt may accrue from increased charges during the period, higher than anticipated consumption by the customer or from the calculated annual consumption being too low.

The Ombudsman raised his concerns about the operation of EasyPay with the General Manager Retail in Aurora Energy. The latter's reply included the following:

EasyPay customers receive a monthly statement of payments made under their arrangement. In addition to this EasyPay customers continue to receive their quarterly statements, detailing any arrears or credit amounts on the account.

Aurora acknowledges that some annual reviews and exception reporting was not conducted in a timely manner in the past. We have amended our internal procedures to ensure that all annual reviews and follow up of exceptions are completed in a timely manner.

... the EasyPay process designed in the billing system is substantially the same as the current process. It is expected however that the new system will assist with better management of exceptions.

The Ombudsman will be monitoring complaints received on this issue over the next reporting year.

The following is a summary of a complaint received about EasyPay.

Complaint

The complainant contacted the Ombudsman's Office as he believed his electricity accounts had increased by over 100% from the previous year.

The complainant commenced on the EasyPay method of payment in 2003. Based on the complainant's previous year's energy consumption, Aurora Energy predicted that he would use approximately \$1,800 worth of electricity during the year. The complainant would be paying \$156 per month for that year. Aurora Energy said the EasyPay arrangement would be reviewed on a periodic basis, and at the end of the year Aurora Energy would conduct an annual review of the complainant's electricity consumption compared to his set payments.

For the first year, the complainant's EasyPay payments were sufficient to cover his electricity consumption. Based on that information, Aurora Energy estimated his next year's payments as 10% more than the first year, to take into account increases in the cost of electricity. His monthly payments were set at \$158.

During the next few years his electricity consumption fluctuated, resulting in his set monthly payments also fluctuating, for example, \$224 in 2006, \$217 in 2007 and \$264 in 2008.

The complainant contacted the Ombudsman's Office regarding his required payments for the 2009 year as, based on the complainant's previous year's electricity consumption, Aurora Energy had set his payments at \$337 per month.

The Ombudsman contacted Aurora Energy, whose response referred to the average electricity price increase of 17% in January 2008 and another increase in July 2008 of 4%. It was Aurora Energy's view that given the price increases and the complainant's increased electricity consumption, it was not unreasonable for his account to have increased as it had.

Aurora Energy also advised that even though a customer's EasyPay payment option is reviewed annually, a customer can request to have their EasyPay payments reviewed upon request.

CASES REFERRED TO A HIGHER LEVEL (RHL)

The Ombudsman's last two annual reports have mentioned the Referred to Higher Level (RHL) process for managing appropriate complaints with Aurora Energy. Put simply, this is the referral of some complaints back to Aurora Energy to be dealt with directly between a senior officer and the complainant to seek a quick resolution of a complaint.

This year the Ombudsman has modified the process to make it more efficient and to be more in line with what occurs in other jurisdictions in Australia.

In the past, the Ombudsman has followed up with the complainant to ensure Aurora Energy has made contact and to confirm the complaint has been addressed. This added an unnecessary layer to the process, particularly if, as happens in most cases, the complaint is resolved without further input from the Ombudsman.

Now when the complaint is deemed suitable for RHL, and the complainant agrees to this process, the details of the complaint are emailed to Aurora Energy with a request that they contact the complainant within two business days. The Ombudsman's complaint file is then closed. At the time of taking the complaint, the complainant is asked to again contact the Ombudsman if there has been no contact from Aurora Energy within two business days, if the complainant is not satisfied with the contact made, or if the complaint has not been resolved within 21 days. If any of these occurs, the complainant is asked to provide a written complaint and a new file is opened.

The Ombudsman is happy with this process, which ensures that many relatively simple matters are dealt with expeditiously by both his office and Aurora Energy.

The following are examples of complaints handled through the RHL process.

Complaint

The complainant owns three units that have an address on a main road. The access is from a laneway that runs behind the units off the main road.

The complainant had made arrangements for his meters to be read by accessing the properties from the laneway. As the complainant had ongoing problems with late night revellers going on to his property at night, he locked the access off the main road.

Despite advising Aurora Energy of the change in access arrangements, the complainant continued to receive electricity accounts based on estimated reads of his meters.

This complaint was referred to a higher level within Aurora Energy. Aurora Energy contacted the complainant and he was able to discuss the access arrangements with the appropriate officer and have the instructions confirmed on Aurora Energy's system. Aurora Energy also reversed interest charged on the unpaid accounts which the complainant claimed he had not received.

The Ombudsman received this complaint on Friday 19 June 2009 and it was resolved on Monday 22 June 2009.

Complaint

The complainant was moving out of her rental premises and she requested Aurora Energy to disconnect her electricity supply on a certain date. It appears that the estate agent acting for the landlord also contacted Aurora Energy to disconnect the electricity, but requested this for a week later than requested by the complainant.

The complainant subsequently received a final account for the property from Aurora Energy which included fees and charges to the date of disconnection requested by the landlord's agent.

The complainant contacted the Ombudsman's Office as she was of the view that she should not have to pay the fees and charges for the extra week, given that she had requested disconnection on a precise date, being the date she moved out of the property. The amount in dispute was \$15, but the complainant said it was the principle of the issue, and also because she was on a Centrelink pension.

The complainant was seeking to have the amount of \$15 deducted from her account, and also an explanation as to why someone other than herself as the account holder was able to request a disconnection.

Aurora Energy was able to determine that the complainant had requested a disconnection a week before the disconnection actually occurred and amended the account accordingly.

Complaint

The complainant contacted the Ombudsman's Office after Aurora Energy had advised him that a pole he had installed on his property four months previously had been condemned. The complainant stated that Aurora Energy had inspected the pole on two occasions after it was installed, and it had been approved and provided with a number.

Aurora Energy had contacted the complainant and advised that it would not connect his electricity supply as the pole was sub-standard.

This complaint was referred to a higher level within Aurora Energy.

Aurora Energy advised the complainant that a service connection crew had attended his property and found three defects that required attention before it would connect his supply. These were that his pole was not the regulation size, that the meter box was too high off the ground, and that the mains neutral was not to standard. He was also advised that his steel pole was four inches in diameter, whereas the minimum regulation was for a five inch steel pole.

Aurora Energy further advised that, if approved as fit for purpose by an engineer, it would allow the complainant to utilise the pole for his connection. This was done and the approval of the pole was confirmed.

The complainant was satisfied with the contact from Aurora Energy. His main concern had been that he would need to replace the pole at his own expense, and he was very happy that this was not necessary. The complainant was intending to contact his electrical contractor to rectify the other two defects.

This complaint was resolved on the same day as received by the Ombudsman.

CASE SUMMARIES

Complaint – Irrigation Tariff

The complainant lodged a complaint with the Ombudsman regarding the rate for irrigation tariff 73/74.

At the time of the complaint, tariff 73/74 provided for a day rate (7.00am to 8.00pm) and a night rate (8.00pm to 7.00am). The night rate, which is considerably cheaper than the day tariff, was restricted to ten hours within the 11 hour timeframe. However, this restriction did not appear in the published tariffs.

The complainant was concerned that the time clock for this tariff was not on the correct time during daylight savings - that it was, in fact, one hour behind. The complainant was also unaware of the restriction on the availability of the night rate to ten hours within the 11 hour period.

The complainant stated that he began irrigating at 8.00pm but, because the clock was one hour behind, he was charged at the higher day rate for an hour of his nightly irrigating. This represented an approximately 15% higher rate for electricity costs on his farm.

This matter was raised with the Energy Regulator, since it appeared that electricity users on this tariff may have been misled by the wording of the published tariff 73/74 for the period December 1998 to December 2007. The Energy Regulator was of the view that the tariff may have breached the *Trade Practices Act 1974* or the *Electricity Supply Industry (Tariff Customers) Regulations 1998*.

Aurora Energy referred the matter to the Australian Competition & Consumer Commission (ACCC) for advice. The ACCC was of the view that the matter should be addressed by the Energy Regulator or the Ombudsman.

Aurora Energy proposed that the revised tariff 73/74 for 2008-2009 would continue to be for ten hours within the 11 hour period, but a customer could apply for an 11 hour supply at the night rate. This would be at the discretion of Aurora Energy and subject to any constraints on the network.

As a result of this complaint Aurora Energy now states on its published tariffs that any reference to time means Eastern Standard Time.

Complaint – Unplanned Outage

The complainant was the proprietor of a business that serves food. In mid-July 2007 the complainant's business lost power for just over 12 hours. As a result of the outage, a quantity of perishable food items was destroyed and the complainant was seeking compensation for this loss, estimated at approximately \$400.

The electricity outage that impacted on the business was caused by a build up of snow on an electricity pole stay wire that eventually snapped, causing the pole to

fall over. Heavy snow falls in the area made it difficult for a crew to reach the pole and contributed to the lengthy delays in having the power supply restored.

The Ombudsman found that the outage was not caused as a result of any negligence or other inappropriate action by Aurora Energy. The field crew appeared to have made a genuine effort to reach the site in very difficult circumstances and their actions had not contributed to the delay.

The Ombudsman further noted that it is not practicable for Aurora Energy to have a crew in every small town to be available for rare events such as the snow storm that caused the outage in this case. It is simply not feasible from an economic and resourcing perspective to seek to cover every possible eventuality.

The Ombudsman found that Aurora Energy acted appropriately in paying the complainant Guaranteed Service Level payments for the outage, but was not obliged to pay compensation for the loss of perishable food items.

Complaint – Customer Requested Disconnection

The complainant contacted the Ombudsman following her frustration with attempting to arrange for Aurora Energy to disconnect the electricity supply from a business operated by her husband, after her husband became too ill to operate the business.

Aurora Energy had advised the complainant that it could only provide a four hour window to attend the business premises to disconnect the electricity supply. The meter was located inside the premises and therefore the complainant needed to be there to provide access.

The complainant worked full time and was not able to be at the premises for four hours waiting for Aurora Energy to attend.

The Ombudsman put his view to Aurora Energy that, in the circumstances, expecting the complainant to wait for up to four hours was unreasonable. Aurora Energy agreed in this case to telephone the complainant 30 minutes prior to an officer attending the premises so she could be there to provide the access.

Aurora Energy duly telephoned the complainant as agreed, and the disconnection proceeded without any further delay.

Complaint – Damage sustained as result of Planned Outage

This was a complaint regarding damage to electrical items following Aurora Energy conducting a planned electricity outage.

In this matter Aurora Energy provided notice of the planned outage within the prescribed timeframe. The complainant was concerned that the Notice of Planned Outage was not sufficiently precise to alert a customer that damage may occur to electrical items if the electricity supply is not turned off at the meter. In her complaint, the complainant stated that she did not interpret the wording, “*should*

you be concerned about the safety of your equipment”, on the notice as being reason to be unduly concerned about any impact from the planned outage.

The Ombudsman engaged the services of an electrical consultant to provide advice on whether it would be reasonable to expect damage to electrical items during an outage such as the one that impacted on the complainant.

The advice received was that there was nothing unusual in the manner in which the planned outage was conducted. In fact, the conduct of the outage would have had less impact than a random outage caused by stormy weather, a bird strike or vegetation, or other impact on the distribution system. The consultant believed it was most likely some irregularity in the wiring of the complainant’s premises may have caused the damage when the supply was reconnected.

The consultant agreed with Aurora Energy that a prudent person should install protective devices to prevent damage occurring to electrical items either from a planned or unplanned outage. This is particularly the case with contemporary electrical equipment found in most households that is expensive to both purchase and repair and is susceptible to interferences that are a part of any electricity distribution system.

The Ombudsman concluded that Aurora Energy had not acted inappropriately in this matter and that it was the responsibility of the complainant to take some action to lessen the possibility of damage to electrical items. It was also noted that protective devices are widely available and are relatively cheap to install.

Complaint – HydroHeat (Tariff 42)

The complainant contacted the Ombudsman’s Office as a result of his electricity supply not being changed to appropriate tariffs after he had a heat pump installed.

The complainant was charged at the higher tariff 31 (light and power), rather than tariff 42 (Hydro heat), for his heating and hot water for a period of approximately four years after he became eligible to be on tariff 42.

This complaint revolved around whether the electrical contractor had submitted an Electrical Works Request (EWR) to Aurora Energy for the change of tariff or whether, in fact, Aurora Energy had lost or failed to action the EWR. In this case, Aurora Energy could not determine who was at fault and offered to pay a sum to the complainant that amounted to the difference between the costs of the tariffs over 60% of electricity consumed over the four years. This assumed that not all electricity consumed on tariff 31 over the four years should have been on tariff 42.

The complainant was happy with this outcome which resulted in a payment of approximately \$1,200 to him.

It is not unusual to receive complaints with similar issues to the above. At times an electrical contractor will fail to submit an EWR and the customer contacts the Ombudsman believing Aurora Energy has lost or failed to action the request. These cases can become even more difficult if the electrical contractor seeks to shift the blame to Aurora Energy. From time to time Aurora Energy does lose an

EWR and is liable for any additional costs that flow to the customer in consequence as a result of the customer being on an incorrect tariff.

Complaint – Re-location of Aurora Energy Infrastructure

The complainant contacted the Ombudsman's Office in March 2008 concerning the need to have an 11 000kV high voltage cable re-located as he was constructing a driveway.

Before commencing construction of the driveway, the complainant contacted the 'Dial Before You Dig' number to obtain information as to what services were beneath the proposed driveway. He was informed there were a Council 50 mm water pipe, Telstra cables and an Aurora Energy 11 000kV high voltage cable.

The complainant contacted Aurora Energy regarding the high voltage cable and was told he would need to have his electrical contractor deal with it. However, his electrical contractor would not undertake any work on a high voltage cable.

Following further contact with Aurora Energy, the complainant was advised that the cable was, in fact, a low voltage cable and that he should proceed to excavate the driveway. Upon receiving this advice, the complainant commenced excavation work and exposed the cable.

During excavation work Aurora Energy attended the site and discovered that the cable was indeed an 11 000kV high voltage cable that had been exposed. Consequently, the complainant was told to cease work and Aurora Energy would cover up the cable. It appears that it took Aurora Energy 48 hours to cover the cable from the time the complainant was told to stop work.

Aurora Energy then advised the complainant that the cost to him to have the high voltage cable re-located would be \$17,500. When the complainant enquired as to how much Aurora Energy's contribution was to be, he was told it would be zero. The complainant queried this with Aurora Energy as he said that costs relating to relocating assets owned by Telstra or the Council were a 50/50 split. Aurora Energy advised the complainant that if a customer wants any Aurora Energy assets relocated, it is a cost to the customer, and that he could pay for the job in four quarterly payments.

As it appeared that Aurora Energy had provided the complainant with incorrect information regarding the high voltage cable, Aurora Energy reduced the cost of relocating its assets by one quarterly payment. The complainant was satisfied with this outcome.

This complaint took three site meetings between the complainant, Aurora Energy and the Ombudsman's Office to reach a satisfactory outcome.

ENERGY OMBUDSMAN FINANCIAL REPORT AS AT 30 JUNE 2009

Revenue	\$402,517
Operating Expenditure	
Salary Related Expenditure	
Salary Expenditure	\$264,404
Other Employee Related Expenditure	\$3,481
Total Salary Related Expenditure	\$267,885
Non Salary Expenditure	
Information Technology	\$15,140
Materials, Supplies and Equipment	\$17,195
Travel and Transport	\$14,349
Property Expenses	\$52,937
Other Expenditure	\$29,704
Consultants	\$5,536
Total Non Salary Expenditure	\$134,861
Total Operating Expenditure	\$402,746
Closing Balance	-\$229

Further information on the content of this report, requests for additional copies, or information on the role of the Energy Ombudsman may be obtained by contacting:

Mr Ray McKendrick
Principal Officer – Energy
Office of the Ombudsman

Ph. (03) 6233 6217 or 1800 001 170 (Freecall)
Fax (03) 6233 8966
Email: energy.ombudsman@ombudsman.tas.gov.au

The Office of the Energy Ombudsman is located at–

Ground floor 99 Bathurst Street
Hobart Tasmania 7000

This report and others are available on the Energy Ombudsman website at–
www.energyombudsman.tas.gov.au