

**ENERGY OMBUDSMAN**  
TASMANIA

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**Annual Report 2007–2008**



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## **FROM THE OMBUDSMAN**

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This report describes the work carried out by my office in 2007/8 under the *Energy Ombudsman Act 1998*. The Act does not require the publication of an annual report, and this report is prepared for the benefit of energy entities and others who have 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 can be viewed at [www.ombudsman.tas.gov.au](http://www.ombudsman.tas.gov.au).

The statistics in this report demonstrate increasing demand for my services in this role. The number of complaints received increased from 133 in 2006/7 to 227 in the reporting year, an increase of 71%. However, enquiry numbers dropped from 118 to 82, a decrease of 31%.

The process introduced last year under which suitable complaints are referred in the first instance to senior management in Aurora Energy – our “RHL process” – has proved extremely effective, and may have given rise to some of the increased demand. Out of the 227 new complaint files opened this year, 108 passed through this process.

The number of cases managed through the RHL process has increased progressively through the year, with 14 cases dealt with in this way in the first quarter, 27 cases referred in the second and third quarters, and 40 cases referred in the last quarter.

The number of complaints about gas services has continued to remain at a very low level, constituting five of the 227 complaints received. As is to be expected, nearly all complaints were against Aurora Energy, as the monopoly electricity retailer to domestic and small business customers, representing 97.4% of the total.

A significant feature of the statistics reported is the increase in the number of complaints about bills. Billing is recorded as having been an issue in 182 cases, up from 129 the previous year. This is thought to be connected to the higher cost of living, and the fact that Aurora Energy now includes contact details for the Energy Ombudsman on disconnection warnings.

Another interesting statistic is the number of cases in which a negotiated outcome was achieved. This rose from 52 in 2006/7 to 95 in this reporting year. I see this as an indicator of the way in which this office assists in resolving complaints.

I wish to thank Ray McKendrick, Principal Officer (Energy) and Kathryn Holden, Investigation Officer, for their continued hard work in assisting me in this jurisdiction.

**SIMON ALLSTON**  
**OMBUDSMAN**

October 2008

## **ABOUT THE ENERGY OMBUDSMAN**

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### **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 function 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

Table 1. Activity

NUMBER OF COMPLAINTS	2005/6	2006/7	2007/8
B/Forward from previous	35	58	47
Opened in period	283	251	309
Closed in period	255	262	292
Opened and closed in period	226	210	251
Carried forward (still open)	58	47	64

Table 2. Enquiries and Complaints received

	2005/6			2006/7			2007/8		
	Enquiries	Complaints	Both	Enquiries	Complaints	Both	Enquiries	Complaints	Both
Aurora Energy	61	216	277	66	173	239	77	221	298
Hydro Tasmania	-	-	-	1	-	1	-	-	-
Transend Networks	1	2	3	-	2	2	1	1	2
Origin Energy	-	-	-	-	-	-	2	-	2
Option One	-	-	-	-	-	-	-	3	3
Powerco	-	3	3	3	3	6	-	2	2
General Enquiries	-	-	-	3	-	3	2	-	2
<b>TOTAL</b>	<b>62</b>	<b>221</b>	<b>283</b>	<b>73</b>	<b>178</b>	<b>251</b>	<b>82</b>	<b>227</b>	<b>309</b>

Table 3. Closure reasons by Entity

PROVIDER NAME	Dismissed	Award made	Case withdrawn	Complaint resolved	Enquiry only	Explanation given	Out of jurisdiction	Referred to entity	TOTAL
Aurora Energy	23	-	6	116	22	97	5	7	276
Hydro Tasmania	-	-	-	-	-	-	-	-	-
Transend Networks	-	-	-	-	-	-	-	-	-
Powerco	-	-	-	-	-	2	-	-	2
Option One	-	-	-	-	-	1	-	-	1
Origin Energy	-	-	-	-	1	-	1	-	2
General enquiries	-	-	-	-	1	-	1	-	2
<b>TOTAL</b>	<b>23</b>	<b>-</b>	<b>6</b>	<b>116</b>	<b>24</b>	<b>100</b>	<b>7</b>	<b>7</b>	<b>283</b>



Table 4. Closure reasons

CLOSURE REASONS	2005/6	2006/7	2007/8
Dismissed 10.1(b) – referred to Energy Regulator	-	-	1
Dismissed 10.1(c) – lacks substance	26	2	1
Dismissed – complaint not received in writing	21	56	17
Dismissed – dealt with by others	1	1	5
Dismissed – other	1	3	-
Case withdrawn	13	10	6
Complaint resolved – negotiated outcome	65	52	95
Resolved – fair offer	3	14	25
Resolved – other	-	-	2
Enquiry only	61	26	24
Explanation given, no further action	43	86	102
Referred to Aurora	11	4	7
Referred to Transend	-	0	-
Referred to Powerco	1	1	-
Referred to Option One	-	1	-
Award made	-	-	-
Referred to court	-	-	-
Out of jurisdiction	9	6	7
<b>TOTAL</b>	<b>255</b>	<b>262</b>	<b>292</b>

## EXPLANATION OF CLOSURE REASONS

1. **Dismissed – lacks substance:** The Ombudsman dismissed one complaint under this category. The main reason for dismissal is where the complainant cannot support the argument presented in the complaint, or refute the explanation provided by the entity.
2. **Dismissed – frivolous, not in good faith:** There was one complaint dismissed under this category during the reporting year. This occurs when the complaint lacks merit or the complainant’s motives are not necessarily directed to the resolution of a valid grievance.
3. **Dismissed – complaint not received in writing:** There were 17 complaints recorded under this category this year, significantly down on the 56 last year. The *Energy Ombudsman Act* 1998 requires a complaint to be made in writing and to be signed. The Act also provides the Ombudsman with discretion to receive a complaint that does not comply with this requirement. As a general rule, the Energy Ombudsman deals orally with any complaint that is considered urgent, or when considered to be easily resolvable or a relatively simple matter. In all other circumstances, it is requested that the complaint be made in writing. If a written complaint is not received within 14 days, the complainant is given a courtesy call. In many cases, the complaint has been resolved. Where a complainant indicates that providing a complaint in writing might be a problem, the Ombudsman sends out a letter detailing the issues of the complaint, for the complainant to sign and return. The drop in numbers in this category is a direct result of the determination that all people with a valid complaint should have access to the Energy Ombudsman service.

4. **Dismissed – dealt with by others:** This category recorded five complaints for the reporting period. A complaint is recorded in this category where it is resolved prior to the Ombudsman making enquiries. For example, the energy entity may have implemented a process to resolve a complaint before the complaint reaches the Ombudsman’s office, and the circumstances giving rise to the complaint might then be regarded as having been adequately addressed with no need to investigate further.
5. **Resolved – other:** There were only two complaints in this category. This category is used where the reason for closing a complaint does not fit into any of the other closure reasons.
6. **Case withdrawn:** There were six cases withdrawn during the reporting period. A complainant may withdraw a case for a number of reasons: the problem has resolved itself, information provided to the complainant along the way has resulted in a change of mind about a perceived problem; or simply that the complainant no longer wishes to proceed with the complaint.
7. **Explanation given, no further action:** There were 102 complaints recorded in this category. This category records complaints where there has been an explanation provided by the entity which satisfies the Ombudsman, and frequently the complainant also.
8. **Resolved – negotiated outcome:** The Ombudsman closed 95 complaints in this category during the year. Complaints are recorded in this category when a mutually acceptable outcome has been reached following negotiations between the entity and the Ombudsman to resolve the issues raised by the complainant.
9. **Resolved – fair offer:** There were 25 complaints recorded in this category. A complaint is closed under this category where the entity suggests or offers a resolution that is accepted by the complainant.
10. **Referred to Aurora Energy:** There were seven complaints referred to Aurora Energy. A complaint is closed under this category where a complainant has not raised the complaint with Aurora Energy prior to making a complaint to the Ombudsman, or when the complainant is seeking compensation from Aurora Energy and has not lodged a claim form.
11. **Out of jurisdiction:** There were seven complaints in this category. This category is for complaints not identifiable as relating to any service of, or the sale and supply of electricity or natural gas, by an energy entity.
12. **Enquiry only:** There were 24 matters recorded under this category. An enquiry only is recorded when an approach is made to the office and the matter is referred elsewhere – for example, to the Office of Consumer Affairs and Fair Trading – or where some general information is provided that in no way involves the investigation of a complaint.

Figure 1. Time taken to resolve complaints

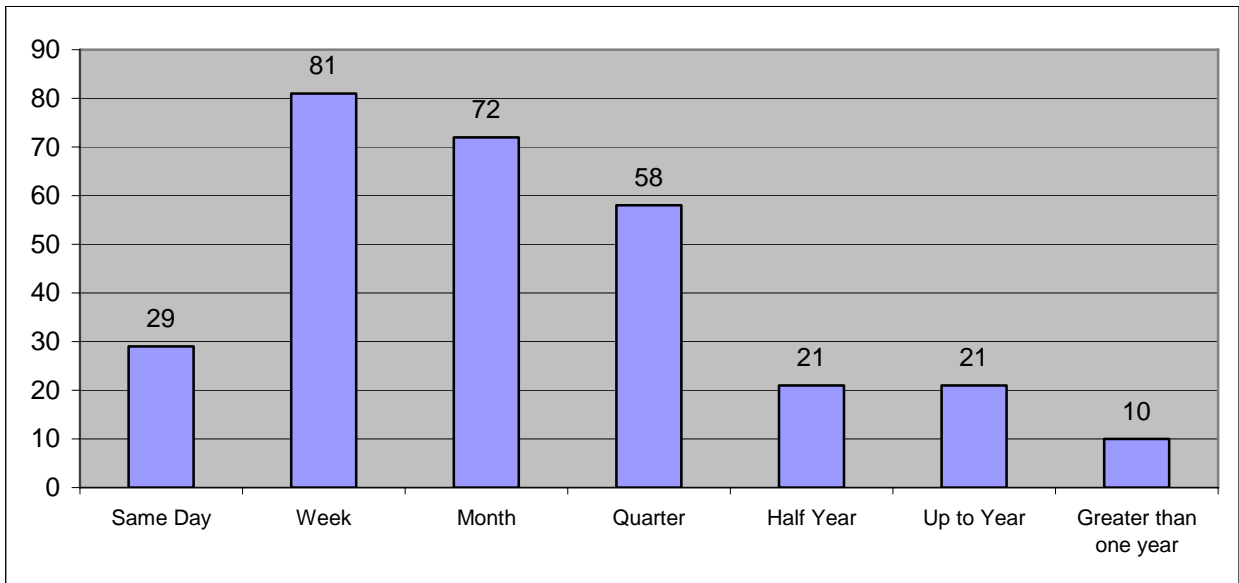


Figure 2. Distribution of complaints received by postcode

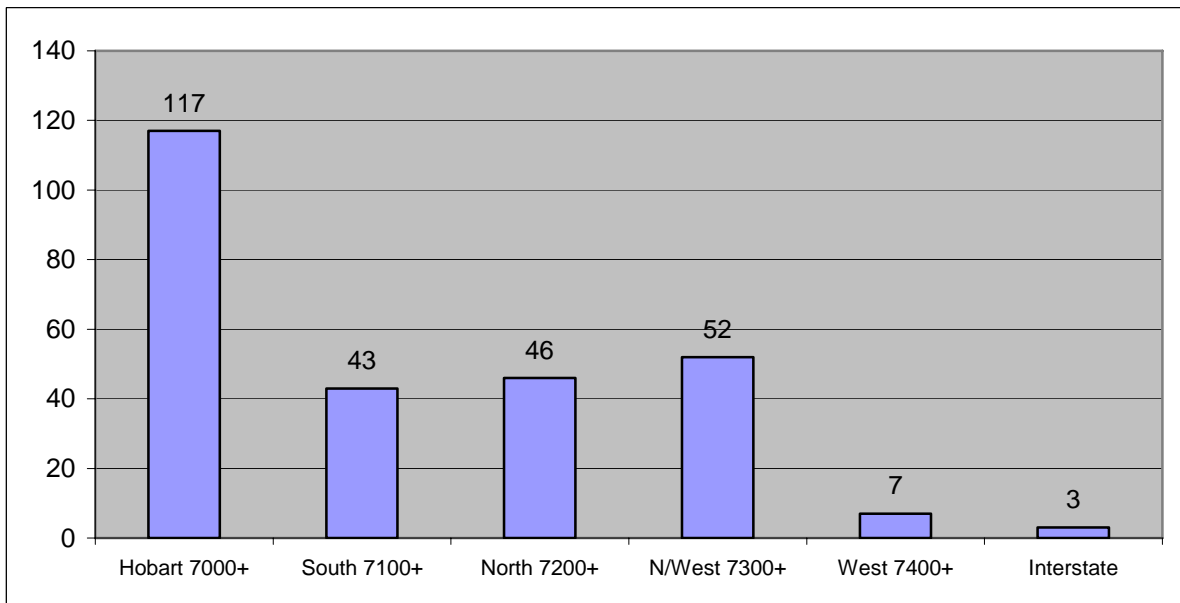


Table 5. Complaint issues – July 2007 to June 2008

CATEGORY	Issue	Sub-issue	Primary	Secondary	Tertiary	TOTAL	
<b>Billing</b>	Arrears	Difficulty in payment	25	5	-	30	
		Disconnection	16	9	-	25	
		Error	11	2	-	13	
	Error			2	-	-	2
		Debt transfer		2	-	-	2
		Disconnection		3	-	-	3
		EasyPay		2	-	-	2
		Fees		1	1	-	2
		No bill		2	-	-	2
		Other		1	-	-	1
		Pay As You Go		1	-	-	1
		Statements		6	1	-	7
		Fees	Connection		1	-	-
	Service and Meter Charges			4	-	-	4
	Health Care Card Concession		4	-	-	4	
	High			1	-	-	1
		Difficulty in payment		2	-	-	2
		Disputed		17	4	-	21
		Estimated		1	-	-	1
	Hydro Heat		1	-	-	1	
	Meter			1	-	-	1
		Accuracy		6	2	-	8
		Misread		2	-	-	2
		Not read		2	-	-	2
		Pay As You Go		13	-	-	13
		Separation		1	-	-	1
		Tampering / Damage		1	-	-	1
	Payment	Agents		-	1	-	1
		Payment Plan		6	-	-	6
		Pre-Payment Card		-	1	-	1
	Pensioner rebate	Error		1	-	-	1
	Security deposit	Amount		5	-	-	5
Refund			2	-	-	2	
Statement	EasyPay		1	-	-	1	
	Reminder		1	-	-	1	
Tariff	Incorrect		10	-	-	10	
	Information		1	-	-	1	
<b>BILLING TOTAL</b>			<b>156</b>	<b>26</b>	<b>-</b>	<b>182</b>	
<b>BILLING (GAS)</b>	High	Disputed	1	-	-	1	
<b>BILLING (GAS) TOTAL</b>			<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	
<b>Customer Service</b>	Failure to respond		2	2	1	5	
	Information	Incorrect	-	2	-	2	
	Information / Consultation		-	3	1	4	
	Poor attitude		2	3	-	5	
<b>CUSTOMER SERVICE TOTAL</b>			<b>4</b>	<b>10</b>	<b>2</b>	<b>16</b>	

CATEGORY	Issue	Sub-issue	Primary	Secondary	Tertiary	TOTAL
<b>Land</b>	Damage	Property	1	-	-	1
	Existing easement		-	1	-	1
		Use	-	1	-	1
	General environment		2	-	-	2
	Meter	Access	2	1	-	3
		PAYG	3		-	3
	Towers	Placement	1	-	-	1
		Safety	-	1		1
Trim/clear trees		6	-	-	6	
<b>LAND TOTAL</b>			<b>15</b>	<b>4</b>	<b>-</b>	<b>19</b>
<b>LAND (GAS)</b>	Meter	Placement	-	1	-	1
<b>LAND (GAS) TOTAL</b>			<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>
<b>Provision</b>	Connection	Capital contribution	1	-	-	1
		Delay	30	1	-	31
		Information	2	1	-	3
		Supply upgrade	1	-	-	1
	Disconnection		-	1	-	1
		Error	2	-	-	2
		Other (non bill)	4	-	1	5
		Supply / defect	2	-	-	2
	Poles and wires	Contract / Authorisation	1	-	-	1
		Cost	5	1	-	6
		Maintenance	1	1	-	2
		Placement	12	2	-	14
		Private Lines	7	-	-	7
		Safety	1	-	-	1
		Timeliness	2	1	-	3
	Street lighting	Repair	1	-	-	1
	<b>PROVISION TOTAL</b>			<b>72</b>	<b>8</b>	<b>1</b>
<b>PROVISION (GAS)</b>	Connection	Delay	1	-	-	1
	Pipes	Timeliness	1	-	-	1
<b>PROVISION (GAS) TOTAL</b>			<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Supply</b>	Damage	Customer equipment failure	4	-	-	4
		District system failure	4	1	-	5
		Third party	1	-	-	1
		Unknown cause	1	-	-	1
	Outage(planned)	Duration	4	-	-	4
		Frequency	-	1	-	1
		Notice	6	1	-	7
	Outage (unplanned)		2	1	-	3
		Duration	3	-	-	3
		Frequency	3	-	-	3
		GSL payments	3	-	-	3
	Quality	RFI	1	-	-	1
Variations (voltage)		3	-	-	3	
<b>SUPPLY TOTAL</b>			<b>35</b>	<b>4</b>	<b>-</b>	<b>39</b>
<b>OUT OF JURISDICTION</b>			<b>7</b>	<b>-</b>	<b>-</b>	<b>7</b>
<b>GRAND TOTAL</b>			<b>292</b>	<b>53</b>	<b>3</b>	<b>348</b>

## **DEFINING PRIMARY, SECONDARY AND TERTIARY ISSUES**

A “Primary” issue is the major issue raised by a complaint. Generally, a complaint will only generate a primary issue, as most complaints raise only one major issue for investigation.

“Secondary” and “Tertiary” issues arise where a number of issues flow from a complaint. For example, the primary issue may be that an electricity customer has been asked to remove sensitive vegetation that is impacting on power lines on his or her property. As a result of the complainant’s dealing with the entity over this issue, other associated complaints may arise about the adequacy of consultation by the entity prior to work being undertaken and the level of customer service provided. These associated issues would be recorded on the complaint database as secondary and tertiary issues.

It is important to note that the complaint issues raised are taken directly from the complaint made.

## **COMPLAINT TRENDS**

There has been a significant increase in the number of new complaints received for this reporting year. In 2006/7, 133 new complaints were received, whereas this year 227 new complaints were received. (However, the number of enquiries dropped from 118 to 82.)

Billing issues have risen slightly overall as a percentage of total new complaints, from 47% last year to 52% this year (118 to 160). There has also been an increase of 16 new network related complaints this year, although the spread of issues remains similar.

The most significant change made in the trend of the complaints is the significant rise in complaints associated with Aurora Energy customers facing disconnection or seeking assistance with payment plans as a result of being in arrears on their electricity accounts. As noted below, this is believed to be a result of the hardship many people now face with the rise in the cost of living, including a rise in electricity prices, and a consequence of Aurora Energy providing contact details for the Energy Ombudsman on disconnection warnings.

### ***Billing***

As earlier stated, complaints about billing issues have risen this reporting year.

The most obvious change in the make-up of these figures is that the issue of arrears on accounts comprises 32.5% of the total (52 of 160), up from 17% of last year’s total (20 of 118). This may, at first glance, appear to be a direct result of increases in electricity prices during the second half of the year. However, the Ombudsman’s Investigation Officers (IOs) have reported that only a very small number of complainants have referred to the increased electricity prices in their contact with the office. IOs have also reported a higher number of complainants who have sought the assistance of a welfare agency, or to whom they have recommended that such assistance be sought.

The likely explanation for the significant increase in the number of complainants who are in arrears on their electricity accounts is the broader rise in the cost of living that has been so well documented in the media. Higher electricity costs, coupled with a cold winter, appears to have led to generally high electricity accounts which, together with higher costs for petrol, groceries, mortgages and rent, has been reflected in the number of complainants seeking

assistance from this office to stave off disconnection or to have a payment plan negotiated to meet both their arrears and on-going consumption.

An additional reason for these statistics is also likely to be the fact that contact details for the Energy Ombudsman are, as the *Tasmanian Electricity Code* requires, now included on each disconnection warning sent out by Aurora Energy. This change was introduced towards the end of the 2006/7 financial year.

### ***Provision***

There is little overall change in the complaint numbers in this category from the last reporting year. However, complaints regarding a delay in the connection of new electricity supply (30) continues to rise, as noted last year. Delay in connection is an issue that causes a great deal of concern for those complainants who often have to wait for some time if a connection is not made on the scheduled day.

It is important to note that in many cases a new connection is delayed as a result of limited or incorrect advice in the electrical works request (EWR) from the complainant's electrical contractor and, in some cases, the contractor has simply failed to lodge an EWR.

The Ombudsman will continue to monitor complaints about delay in connection, as he is concerned that Aurora Energy does contribute to delays in some cases, particularly where a prior site visit would have ensured a scheduled connection could proceed as planned.

### ***Supply***

Complaints in this category might relate to alleged damage to customer equipment as the result of an outage, the quality of the complainant's supply, or the frequency or length of outages. Complaints regarding supply are up on last year. The issues raised in these complaints are well spread across the categories, although there is a rise in the number of complaints about the inadequacy of notices for planned outages.

On a number of occasions Aurora Energy has failed to provide adequate notice, as prescribed in the *Electricity Supply Industry (Tariff Customers) Regulations 1998*. Complaints about planned outages are generally made by small business operators who have difficulty in making adequate preparations for prolonged outages. On occasions the process for providing notice appears to be *ad hoc*, leading to customers having insufficient time to make alternative arrangements. In most of these cases, where it is found that notice has not met with the Regulations, Aurora Energy has sought to change its plans to minimise any inconvenience to businesses impacted by the outage.

### ***Land***

Complaints recorded in this category might relate to alleged damage to customer 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 received this year remain much the same as last year.

## **SIGNIFICANT ISSUES**

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### **INCREASES IN THE PRICE OF ELECTRICITY**

During the reporting year the Electricity Regulator approved price rises for domestic and small business customers, to be phased in over a number of tranches.

On January 1 2008 the electricity price rose by approximately 16%, and a further 4% on 1 July 2008.

As noted above, there is no indication that these price rises, on their own, have led to the significant rise in complaint numbers over the year. However, the rise in electricity prices coincides with broader cost of living increases and this has manifested itself in the increased number of complaints about arrears and disconnections. Further, the Ombudsman's investigation staff has noticed an increase in the number of complainants who have sought, or are intending to seek, the assistance of welfare agencies.

### **CASES REFERRED TO A HIGHER LEVEL (RHL)**

Last year the Office reported on the process of referring complaints to a higher level (RHL) within Aurora Energy.

This process is working very well and the number of RHL complaints has increased markedly over the course of this reporting year, from five out of 22 complaints in July 2007, to 16 out of 31 complaints in June 2008. The time taken to process these complaints varies, but the RHL process provides a significantly quicker and more efficient manner in which to address many of the complaints that are made to this office.

The number of RHL complaints suggests a need for improvement in the operation of the Aurora Energy Customer Service Centre. The Energy Ombudsman intends to raise this with Aurora Energy in the near future.

As detailed in last year's annual report, complainants regularly state that if it were possible to get beyond the Customer Service Centre operator, and discuss the concerns with the appropriate officer, it would be highly likely that the complaint could be resolved without reference to the Energy Ombudsman.

The following case summaries give examples of cases that passed through the RHL process this year.

#### ***RHL Complaint Number 0804009***

The complainant contacted the Office after he received an Aurora Energy electricity account for approximately \$1,800. The complainant had spent some time in prison and, during that time, had rented his property out. When he received the large account, he assumed that it was for electricity consumed by the tenant in his property.

However, after raising this matter with Aurora Energy it was found that the high account was the result of a system error that had incorrectly attached a debit of \$1,223.84 and a credit of \$92.03 to the complainant's account.



Once these incorrect transactions were removed, the account to the complainant was reduced to \$560.

The complainant was happy with this outcome, but was very annoyed that it was only after he raised the complaint with the Energy Ombudsman that a thorough investigation was undertaken and the error discovered. The complainant states that he had raised this issue with the Aurora's Customer Service Centre, but could be told nothing further than what was shown on his original account.

Aurora Energy apologised to the complainant, removed his record with a collection agency, deleted any late payment interest and, following a suggestion from the Ombudsman's office, provided a customer charter payment of \$30.

This complaint demonstrates a situation whereby the initial complaint to Aurora Energy could have been more effectively handled if the Customer Service Centre operator had been able to pass the complaint to a more senior person within Aurora Energy. The issues raised by the complainant were very serious, particularly given his difficult financial position after being released from prison, and the limited response initially given could have led the complainant to paying the inflated amount sought, or having his electricity disconnected for non-payment.

#### ***RHL Complaint Number 0804017***

The complainant contacted this office as she required an urgent connection and it had been several weeks since her electrical contractor had submitted an electrical works request (EWR). This complaint was dealt with through the RHL process.

The complainant advised that her family was moving into new premises on 25 April, Anzac Day, and electricity connection would need to be made on or before 24 April 2008. Her son's life-threatening condition required constant monitoring via machines, making timely connection imperative. The complainant also advised that as soon as her family moved out of the current premises, that building was to be demolished.

The complainant advised that she had contacted Aurora Energy to enquire about the connection and was told that the EWR had been received, but had been cancelled. Therefore a further EWR was required to be submitted by her electrical contractor.

Upon contacting Aurora Energy, the Ombudsman's investigation officer (IO) was told that a crew had attended the premises on 31 March 2008 and had determined that more work was required to be done by the electrical contractor, who submitted a further EWR after rectifying faults on the job. As the connection did not fall within the Customer Charter, there was no guarantee of connection within ten business days.

The IO followed up with Aurora Energy to ascertain when a crew would be attending the property to organise the connection. The connection was made on 21 April 2008, and the complainant and her family were able to move into their new premises.

#### ***RHL Complaint Numbers 0801014 and 0801015***

These complaints relate to each other as one was the purchaser (complainant A) of the property and the other the vendor (complainant B). Both complaints were initially handled through the RHL process. Complainant B's complaint was dealt with as a formal

complaint to the Ombudsman as he was not satisfied with the outcome of the RHL process.

Complainant A contacted the Ombudsman's office on 21 January 2008 advising that he had signed a three-month contract to purchase a property. One week before the matter was settled, the cross arm broke on a private power pole and the wires were now lying on the ground. Complainant A advised that complainant B had accepted responsibility for having the matter attended to.

The following day, 22 January 2008, complainant B contacted the Office advising that Aurora Energy had disconnected the electricity to the property due to the broken cross arm on the private pole and had dropped the conductors onto the ground. The conductors had since been removed from the property by an unknown person.

Complainant B advised that initially he had been told by Aurora Energy that it would carry out the work. He had since been told that a private contractor would need to do the work as it involved private infrastructure. If Aurora Energy carried out the work it would be at the customer's cost and would not be done for approximately four weeks.

Complainant B obtained a quote from a private contractor. Aurora Energy also provided a quote of approximately \$500 under the private contractor's quote. As there was a contract on the property, complainant B wanted to have the work carried out as soon as possible and so accepted the private contractor's quote.

Complainant B lodged a formal complaint with this office seeking to be compensated for the cost of the replacement conductor. The Ombudsman's Investigation Officer approached Aurora Energy seeking compensation for the complainant.

After some investigation by Aurora Energy, it appeared that complainant B had been given the incorrect advice by Aurora's Customer Service Centre, regarding the process for repairing private infrastructure. As a consequence, Aurora Energy offered the complainant an *ex gratia* payment of \$150.

This offer was considered to be unrealistic by both the complainant and the Ombudsman, and the complaint was taken to the investigation stage. This involved obtaining a copy of the quote from the private contractor and having Aurora Energy look into the matter more thoroughly.

Aurora Energy then raised its offer to \$570, being the full cost of the replacement conductor. Complainant B accepted this offer, and the complaint was closed.

Complainant A advised that he had received a payment of \$90 from Aurora Energy for the inconvenience caused.

This report and others are available on the Energy Ombudsman website at [www.energyombudsman.tas.gov.au](http://www.energyombudsman.tas.gov.au).

## **CASE SUMMARIES**

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### ***Complaint Number 0709019***

The complainant contacted the Ombudsman in September 2007 regarding Aurora Energy's plans to remove trees that form a shelterbelt for her holiday accommodation business.

The trees Aurora Energy planned to remove were located directly under high voltage conductors providing an electricity supply to the business. Aurora Energy engaged a vegetation management team to undertake the work, but the complainant prevented the work proceeding when the crew attended on-site.

The complainant believed that he had the knowledge and expertise to trim the vegetation to reduce any impact on the conductors. Aurora Energy was of the view that the vegetation type and the proximity to the powerlines meant that the most effective management regime was to remove the shelterbelt to ground level.

The Ombudsman's Investigation Officer arranged an on-site meeting at short notice between Aurora Energy and the complainant. This meeting identified a solution through the relocation of the high voltage supply on to an adjoining property that the complainant was in the process of purchasing. Aurora Energy agreed to undertake this work during the late summer of 2008 to reduce the impact on the complainant's business. However, Aurora Energy asked the complainant to provide a written agreement to the relocation by mid December. If the approval was not forthcoming, Aurora Energy intended to proceed with clearance of the shelterbelt.

Issues around the precise design and cost of the new infrastructure pushed this matter close to the mid-December cut-off time. Another site meeting was arranged between the parties, and the issues were canvassed and resolved on-site. Aurora Energy's own vegetation management crew then proceeded to undertake a minimal trim of the vegetation and the new supply was installed in mid April 2008.

This complaint demonstrates how the Energy Ombudsman can broker a satisfactory outcome to a complaint by facilitating dialogue between the parties.

### ***Complaint Number 0802026***

The complainant owns a rural property that is set well back from the road. The electricity supply to his property feeds off the distribution system running along the road. The supply to the complainant passes over a neighbour's property.

The complainant contacted the Ombudsman's Office after the neighbour indicated that he wanted the private electricity infrastructure removed from his property. The complainant was concerned that he would be required to re-route his supply, which was potentially difficult given the legal nature of the access to his property.

Aurora Energy responded to this complaint by advising the Office that it would not remove the private infrastructure from the neighbour's land even if he requested this. Aurora Energy further advised that if the infrastructure required maintenance or upgrading, and the neighbour refused the complainant access across his land, then it would be likely that it would disconnect the supply to the complainant's property until access was achieved or a new route for the supply was found.

In effect, this matter is between private property owners regarding access to private electricity infrastructure. Aurora Energy would not seek to alter the supply situation without the customer's authority and it is illegal for the neighbour to disconnect supply to the complainant. The continuity of a reliable electricity supply to the complainant's property is dependent on the infrastructure remaining in good condition or in him seeking a working arrangement with the neighbour into the future.

#### ***Complaint Number 0801005***

The complainant and her estranged husband were joint customers on an Aurora Energy electricity account for the family home. Following their separation, the complainant's husband contacted Aurora Energy to close the account and request that the supply be disconnected.

The complainant contacted the Ombudsman after she arrived home one evening to find Aurora Energy had disconnected her electricity supply. In fact, Aurora Energy had turned the supply off at the switchboard following the husband's request for a final read of the account in joint names. The complainant had the account transferred solely to her name but did not pay the final account, which Aurora Energy had forwarded to her at the request of her former husband. When the final account remained unpaid, Aurora referred it to a collection agency, which sought to recover the debt solely from the complainant.

Aurora Energy treats joint customers as jointly and severally liable for accounts. In this case the address for the final account was given as the account address – the complainant's address. The collection agency was having difficulty locating the former husband and was therefore seeking recovery of the debt through the complainant at the account address.

It was found that Aurora Energy had not acted inappropriately in this matter. The situation was an unfortunate result of a lack of communication from the former husband to the complainant, his lack of good faith in unilaterally closing the account and then failing to make arrangements to, at the very least, pay half of the final account.

#### ***Complaint Numbers 0805014, 0805015, 0805016***

These flow on from three complaints referred to in last year's annual report about Aurora Energy seeking to upgrade electricity distribution infrastructure in a coastal holiday location. This matter first came to the Ombudsman's attention in December 2006 when Aurora Energy initially proposed the upgrade of low and high voltage conductors and the provision of a new transformer to service a new subdivision being developed in the area.

Following a number of site-meetings and discussions facilitated by the Ombudsman's office, Aurora Energy agreed to make changes to its design by locating the low voltage conductors underground, by raising the height of three poles to lift the new high voltage conductors above eye height and by ground mounting the transformer. This was to limit the impact on the view from the complainants' homes over the coast and ocean.

When Aurora Energy commenced this work, the Ombudsman received another three complaints essentially raising the same issues; that the higher poles and new high voltage conductors impacted on the quality of the view from the houses above the location of the new infrastructure.

After the matter was raised with Aurora Energy, it went back to the design and made further changes to address the concerns from the complainants. This time Aurora Energy decided to underground both the high and low voltage conductors for two spans from where the supply came off the main road to where the high voltage supply ended. This meant that two poles were removed completely and the third pole remained at the lower height.

This matter demonstrates the role the Energy Ombudsman can play in brokering a resolution to issues raised in complaints. The complainants had raised valid concerns, and Aurora Energy was willing to be flexible in its approach to provide a solution that minimised any detrimental impact on the community.

### ***Complaint Numbers 0806023, 0807018, 0807015***

#### **Complainant A – 0806023**

Complainant A contacted the Ombudsman's Office by telephone on 19 June 2008, advising that he was experiencing difficulties with Aurora Energy in having the electricity connected to a property he was about to move into with a housemate, complainant B. He advised that they had just arrived from interstate and were keen to have the electricity connected as soon as possible. Complainant A would be the account holder. The Ombudsman's Investigation Officer (IO) was told that the previous tenant had moved out of the premises the day before and the electricity had been disconnected.

Complainant A told the IO that he had been advised by Aurora Energy that the electricity would be connected on 18 June 2008, the previous day. As the connection was not made as scheduled, complainant A again contacted Aurora Energy to enquire why. It was at this time that he was told that Aurora Energy required him to provide photo ID in the form of his driver's licence, and also that the original lease agreement had to be produced. Complainant A advised that he had already produced a copy of the lease agreement and was unable to provide the original lease agreement because he did not finish work until 8.00pm.

The IO contacted Aurora Energy the same day and was advised that the subject property had been disconnected the previous day due to non-payment of a debt. It is Aurora Energy's standard policy to ask to see a copy of the lease agreement and photo ID for new customers when there is an outstanding debt on the property. A copy of the lease agreement had been provided to Aurora Energy that morning.

Aurora Energy advised the IO that the customer who was disconnected the previous day was complainant C (aka complainant B) who had resided at the property since August 2007. The property was disconnected as he had a debt of \$4,600. Complainant C had been on four payment plans during the last 12 months and had now defaulted on the last plan. Aurora Energy also advised that this customer had had seven payment plans since March 2007.

Aurora Energy informed the IO that the second person moving into the property, complainant B, had been requested to provide photo ID which could be faxed to Aurora Energy. Complainant A had advised the IO that complainant B was still interstate finalising moving furniture to Tasmania. Aurora Energy suspected that complainant B and complainant C were the same person and that is why photo ID was required to confirm that complainant B was a new customer. Aurora Energy also required that the account be in the names of both complainant A and complainant B.

When the IO contacted complainant A to convey what was required for the electricity to be connected, complainant A advised that he was experiencing difficulty in contacting complainant B, who was still in South Australia. Complainant A said he was staying with his sister and therefore it was not a problem if the electricity was not connected by the weekend; that he was OK with waiting until Monday for connection to occur.

During further discussions with Aurora Energy it was confirmed that it is standard procedure to see the original lease agreement. An option for Aurora Energy was to contact the landlord to confirm complainant A and complainant B as new tenants.

When contacted by Aurora Energy, the landlord advised that he had not heard of complainant A or complainant B and had not entered into any new lease agreements. The current lease was with complainant C.

Aurora Energy advised the IO that the lease agreement appeared to be a forged document – the names and signatures had been changed, and also the telephone contact for the landlord. Aurora Energy also advised that complainant A and his wife resided locally.

On Monday 23 June 2008 complainant A contacted the IO to advise he had a copy of complainant B's birth certificate and photo ID in the form of his Federal Police card. He queried what happens to these documents.

When the IO contacted Aurora Energy to advise that complainant A had complainant B's photo ID and would be faxing it through, he was advised that Aurora Energy would not be contacting complainant A or complainant B again as the lease agreement appeared to have been tampered with and was considered fraudulent.

Later that day Aurora Energy contacted the IO to advise that a copy of complainant B's birth certificate and Federal Police photo ID had been received. In the same conversation Aurora Energy advised that the matter had been reported to Tasmania Police. Aurora Energy had also tried to contact complainant A to discuss the lease agreement.

Aurora Energy contacted the IO to further advise that complainant B's photo ID had also been forged. Tasmania Police had attended the Aurora's offices and would be investigating the alleged forgery.

Aurora Energy sent a field crew to the property believing that complainant C might attempt to illegally reconnect the electricity by tampering with the meters. The crew made the property safe by rolling the wire back to the pole.

Several attempts were made by Aurora Energy and the IO to contact complainant A to discuss the situation, without success. As this was now a Police matter, the complaint was closed.

### **Complainants B/C – 0807018**

On 2 July 2008 complainant C (aka complainant B) contacted the Ombudsman's office regarding a disconnection at the above property. He advised that he and his partner, complainant D, had been on a payment plan, which had defaulted. The Ombudsman's Investigation Officer (IO) contacted Aurora Energy and was advised that a further

payment plan would not be offered; the full amount of arrears in the amount of \$4,614 was required to be paid before the property would be reconnected.

In a discussion with the IO on 3 July 2008, complainant C advised that he and his partner were moving. He added that he had contacted the office of Allison Ritchie MLC and her executive assistant had advised that the matter would be looked into. The IO asked to be kept apprised of the situation. There was no further contact from complainant C.

#### **Complainant D – 0807015**

On 11 July 2008 complainant D, the partner of complainant C (aka complainant B), contacted the Ombudsman's office. She advised that she was trying to have electricity connected and had requested to go on a payment plan, rather than receive quarterly accounts, but had been advised by Aurora Energy that she had an outstanding debt of approximately \$1,000. Complainant D claimed that a credit search had not disclosed a debt to Aurora Energy. She was happy for her complaint to be dealt with through the Refer to Higher Level (RHL) process.

The Ombudsman's Investigation Officer (IO) contacted Aurora Energy and was advised that complainant D had been told that in order to have the electricity connected the debt was required to be paid in full, and that she was also required to provide the lease agreement and photo ID.

Aurora Energy further advised the IO that complainant D had not been satisfied with the outcome of her complaint through the RHL process, and wanted it further investigated by the Ombudsman. The IO sent a complaint form to complainant D the following day, and a reminder letter approximately two weeks later when the complaint form was not returned.

There has been no further contact from any of the three complainants and all files have been closed. It is understood that this matter has been referred to Tasmania Police and the Federal Police.

## ENERGY OMBUDSMAN BUDGET AS AT 30 JUNE 2008

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	2007/08
<b>Revenue</b>	<b>\$ 396,559</b>
<b>Operating Expenditure</b>	
<b>Salary Related Expenditure</b>	
Salary Expenditure	254,896
Other Employee Related Expenditure	3,319
<b>Total Salary Related Expenditure</b>	<b>\$ 258,215</b>
<b>Non Salary Expenditure</b>	
Information Technology	14,225
Materials, Supplies and Equipment	14,385
Travel and Transport	11,843
Property Expenses	49,783
Other Expenditure	29,958
Consultants	18,150
<b>Total Non Salary Expenditure</b>	<b>\$ 138,344</b>
<b>Total Operating Expenditure</b>	<b>\$ 396, 559</b>
<b>Closing Balance</b>	<b>\$ 0</b>

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–

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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](mailto:energy.ombudsman@ombudsman.tas.gov.au)

The Office of the Energy Ombudsman is located at–

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Hobart, Tasmania 7000

This report and others are available on the Energy Ombudsman website at–  
[www.energyombudsman.tas.gov.au](http://www.energyombudsman.tas.gov.au)