

ENERGY OMBUDSMAN
TASMANIA

Annual Report 2006 – 2007

TABLE OF CONTENTS

FROM THE OMBUDSMAN	1
ABOUT THE ENERGY OMBUDSMAN	2
COMPLAINT ACTIVITY FOR THE REPORTING YEAR	4
SIGNIFICANT ISSUES	13
CASE STUDIES	18
ENERGY OMBUDSMAN BUDGET AS AT 30 JUNE 2007	21

FROM THE OMBUDSMAN

This year has seen a further slight drop in the number of Energy complaints received by the Office, with a total of 251 complaints and enquiries during the year, compared to 283 in 2006/7. However, the number of matters closed during the year rose from 255 to 262. I am pleased to say that the number of matters carried forward at year's end was lower this year, being 47, compared to 58 last year. The lower the number of matters on hand, the more quickly they should be resolved.

Most of the complaints received by the Energy Ombudsman are naturally against Aurora Energy, because of its present status as a monopoly electricity retailer in the State to domestic customers. As part of our endeavour to reduce the time taken to handle complaints, we commenced a 3-month trial in May 2007 of a procedure under which a complaint made to our office which has previously been made to Aurora Energy's call centre and which remains unresolved is referred to more senior management in Aurora Energy for them to take up directly with the complainant. The complainant is free to come back to us if Aurora Energy has not contacted them within 48 hours, or if they remain dissatisfied after direct dealings with the company which have been initiated in this way.

This is a procedure which is used in equivalent jurisdictions elsewhere.

The trial has been very promising. Of 10 cases referred to Aurora Energy in this way during the first month, 9 were quickly resolved. It has now been agreed with Aurora Energy that we will continue to deal with suitable complaints in this manner. This should enable us to reduce the time to resolve grievances, and make sure that the files which are open in this office are ones which are deserving of the concentrated attention which we provide.

If it is possible that this will reduce our open files, it may be that the reduction will be offset by the consequences of agreement by Aurora Energy to include details for the Energy Ombudsman in each disconnection warning that is sent out. This has occurred at my instigation, but is in fact a requirement of the *Tasmanian Electricity Code*. The wording for the notices has been settled between the company and the Tasmanian Energy Regulator, with input from this Office.

I note that an ongoing issue in previous years was the time taken by Aurora Energy to carry out new connections to the electricity supply. It was found that the company was frequently in breach of the time frames stipulated by the *Electricity Supply Industry (Tariff Customers) Regulations* 1998. The causes appeared to include lack of communication and administrative inefficiencies within the company. During this reporting year, the company initiated a special project to address these problems, which included taking on additional staff. I note that delay in connection was the primary issue in 19 cases brought to this Office in 2005/6. The equivalent figure for this year was 23. It is hoped that this figure will decline in future.

I close by thanking Ray McKendrick and Kathryn Holden, the two staff who assist me with the Energy Ombudsman jurisdiction, for their hard work during the year.

SIMON ALLSTON
OMBUDSMAN

October 2007

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 function to the State Ombudsman. This was in recognition of the existing experience of the office in operating an Ombudsman scheme.

With the ongoing introduction of natural gas to the Tasmanian energy market, some amendments were made to the *Electricity Ombudsman Act* in November 2004 and the title to the Act is now the *Energy Ombudsman Act 1998*. Complaints may now 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* 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;
 - (f) to perform any other prescribed functions.

- (2) The Ombudsman has power to do all things necessary or convenient to be done in connection with the performance and exercise of his or her functions and powers under this Act.
- (2) 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 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 as to when 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 2 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 2003 – 2007

Number of Complaints	2003/4	2004/5	2005/6	2006/7
B/Forward from Previous	19	22	35	58
Opened in Period	394	379	283	251
Closed in Period	411	366	255	262
Opened & Closed in Period	379	347	226	210
Carried Forward (still Open)	22	35	58	47

Table 2. Enquiries and Complaints Received

	2004/5			2005/6			2006/7		
	Enquiries	Complaints	Both	Enquiries	Complaints	Both	Enquiries	Complaints	Both
Aurora Energy	95	277	372	61	216	377	66	173	239
Hydro Tasmania	0	2	2	0	0	0	1	0	1
Transend Networks	0	2	2	1	2	3	0	2	2
Powerco			0		3	3	3	3	6
General Enquiries							3	0	3
Total	95	281	376	62	221	283	118	133	251

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	Grand Total
Aurora Energy Pty Ltd	59		9	150	22	0	5	5	250
Hydro Tasmania	1								1
Transend Networks				2			1		2
Powerco	1		1	2	2				6
Origin Energy									0
General Enquiries					2		1		3
Grand Total	61	0	10	154	26		6	5	262

Table 4. Closure Reasons

Closure Reasons	2003/4	2004/5	2005/6	2006/7
Dismissed 10.1 (b) - referred to Energy Regulator	2	1	0	0
Dismissed 10.1 (c) - lacks substance	16	21	26	2
Dismissed – complaint not received in writing	82	53	21	56
Dismissed - dealt with by others	6	14	1	1
Dismissed - Other	2	1	1	3
Case Withdrawn	12	10	13	10
Complaint Resolved – Negotiated outcome	89	75	65	52
Resolved – Fair Offer	2	5	3	14
Enquiry Only	57	84	61	26
Explanation Given; No further action	89	66	43	86
Referred to Aurora	31	11	11	4
Referred to Transend	1	Nil	0	0
Referred to Powerco			1	1
Referred to Option One				1
Award Made	4	5	0	0
Referred to Court	Nil	Nil	0	0
Out of Jurisdiction	18	19	9	6
Total	411	466	255	262

Explanation of Closure Reasons

1. **Dismissed – lacks substance:** The Ombudsman dismissed 2 complaints under this category. The major reason for dismissal is where the complainant is unable to support the argument presented in the complaint, or refute the explanation provided by the energy entity.
2. **Dismissed – complaint not received in writing:** There were 56 complaints recorded under this category. The *Energy Ombudsman Act 1998* requires a complaint to be made in writing and signed. However, 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 one which is considered to be easily resolvable or a relatively simple matter. In all other circumstances, the complaint is requested 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.
3. **Dismissed – dealt with by others:** This category recorded one complaint for the reporting period. A complaint will be recorded in this category where it is resolved prior to the Ombudsman making enquiries.

4. **Dismissed – other:** There were only 3 complaints in this category. This category is only used where the reason for dismissing a complaint do not fit into any of the other closure reasons. For example, a complaint may be closed under this heading if, at some point during an investigation, a complainant moves address and the investigating officer is unable to make further contact with the complainant.
5. **Case Withdrawn:** There were 10 cases withdrawn during the reporting period. A complainant may withdraw a case for a number of reasons; the problem may have resolved itself, the information provided along the way to the complainant has resulted in a change of mind about a perceived problem or the complainant just no longer wants to proceed with the complaint.
6. **Complaint Resolved:** There were 52 complaints closed as resolved for the reporting period. Some of these were negotiated outcomes with Aurora Energy and others were resolved through the investigation process.
7. **Explanation Given, no further action:** There were 86 complaints recorded in this category. Complaints are recorded in this category where there has been an explanation provided by the entity which satisfies the Ombudsman, and frequently also the complainant.
8. **Resolved – Fair Offer:** There were 14 complaints recorded in this category. A complaint is closed under this category when the entity suggests or offers a resolution that is accepted by the complainant.
9. **Out of Jurisdiction:** There were 6 complaints in this category. A complaint is closed under this category when it is identified that the complaint is not strictly about any service of, or relating to the sale and supply of electricity or natural gas by an energy entity.
10. **Enquiry Only:** There were 26 matters recorded under this category. An enquiry only is where a contact is made with the office and the matter is referred, 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. **Complaint outcomes**

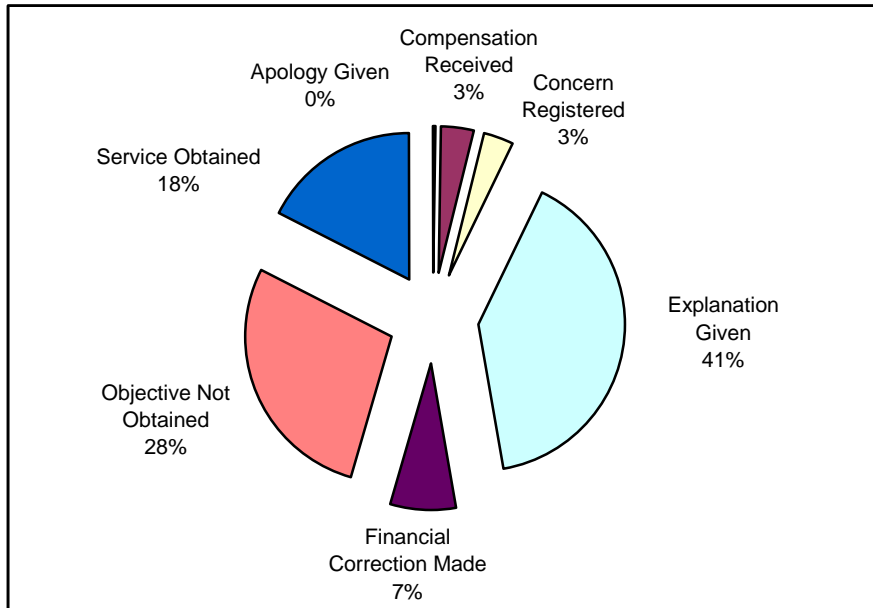


Figure 2. **Time taken to finalise**

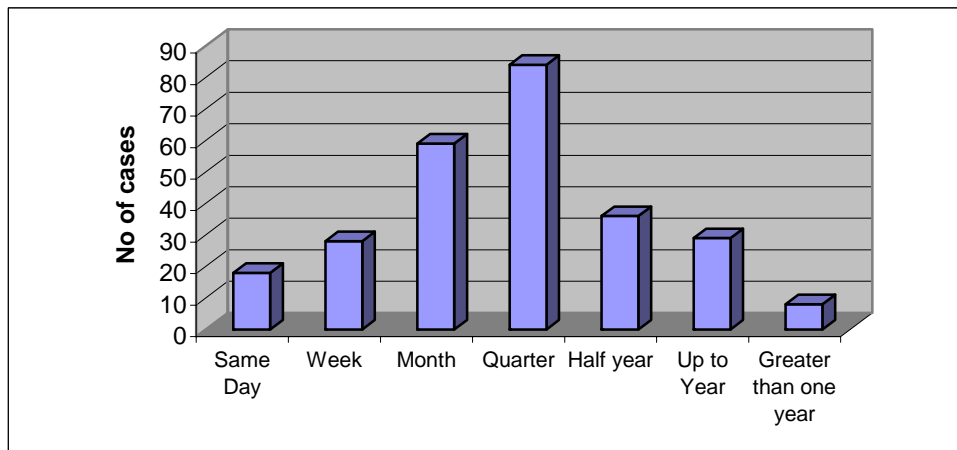


Figure 3. **Nature of complainant**

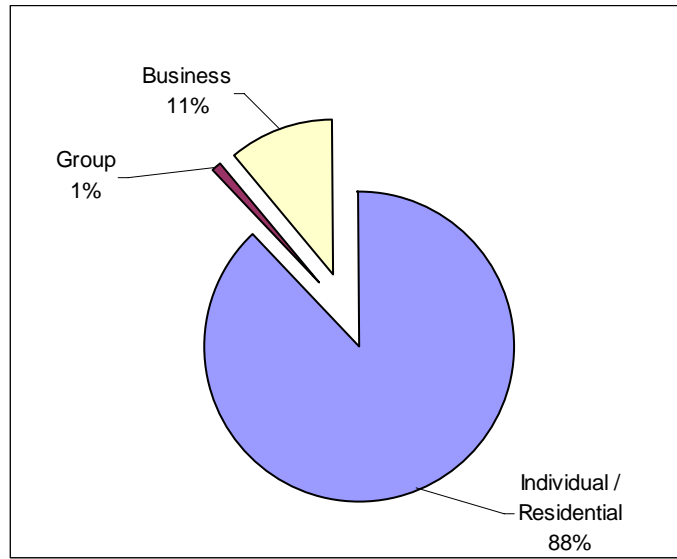


Figure 4. **Distribution of complaints by postcode**

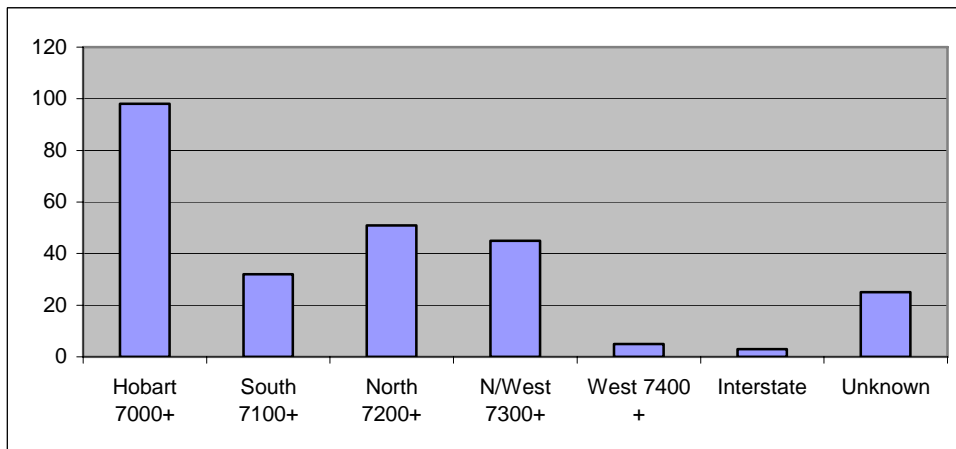


Table 5. Closure reasons – July 2006 to June 2007

Category	Issue	Sub issue	Primary	Secondary	Tertiary		
Billing	Arrears		1				
		Difficulty in payment	8	2			
		Disconnection	6	4			
		Error	6		1		
	Error			5	1		
		Credit		1			
		Debt transfer		2			
		Direct Debit		1			
		Disconnection					
		Easy Pay		1			
		Fees		1			
		No bill		1			
		Other		3			
		Pay As You Go		2			
		Statements		6			
		Fees			2		
			Connection		1		
	Estimated			1			
	Late fees / Interest fees			2			
	Meter checking			1	1		
	Service & Meter Charges			2			
	High						
		Difficulty in payment					
		Disputed		15	1		
		Estimated		2			
	Hydro Heat			3			
	Meter			1			
		Accuracy		4			
		Not read		1			
		Pay As You Go		7			
		Separation		2			
	Payment			1	1		
		Agents					
		Lost Payment					
		Payment Plan		2			
	Pensioner Rebate	Error		1			
		Information		5			
		None		1			
	Security deposit						
		Amount		6			
		Exemption					
		Interest					
		Refund		1			
Sundry Debtor	None		2				
	Information						
Tariff			1				
	Incorrect		4				
	Information		2				
	Rate		4				
	Health Care Card Concession						
Billing Total			118	10	1		

Category	Issue	Sub issue	Primary	Secondary	Tertiary
Customer Service	Contractor	Pricing			
		Other	2		
	Failure to respond Information		1	1	
		Incorrect	1		
	Information / Consultation		3		
	Poor attitude		9	3	
	Reduced service				
Customer Service Total			16	4	
Land	Damage	Property	3		1
	Existing easement	Access			
		Use			
	Meter				
		Access	2		
		Cost	1	1	
		Blank			
		PAYG	1		
		Placement	2		
	New easement	Placement			
	Other				
	Provision	General Environment	2		
	Towers	Placement	1		
	Tree trimming / clearing		6	1	
Nuisance					
Land total			18	2	1
Provision	Connection		4		
		Authorisation	3		
		Capital contribution	1		
		Delay	23		
		Information	3		
		Other costs	2		
		Supply Upgrade	1		
	Disconnection		4		
		Error	3		
		Other (non bill)	4		
		Supply / defect	1		
	Poles and wires		1		
		Cost	3		
		Maintenance	4		
		Placement	11		
		Private Lines	3		
		Safety	1		
		Street Lighting			
		Timeliness	1		
Street Lighting		1			
	Repair				
Provision Total			74		

Category	Issue	Sub issue	Primary	Secondary	Tertiary
Supply	Damage		1		
		Cust Equip failure	9		
		Dist Sys Failure			
		Gen/Trans Sys Fail			
		Third Party	2		
	Outage(planned)		2		
		Duration			
	Outage(unplanned)	Notice	1		
			2		
		Duration	1		
		GSL Payments	1		
	Quality	Frequency	1		
			3		
Variations(voltage)		4			
Supply Total			27		
Customer Service (Gas)	Information	Incorrect			
		Provison (Gas)	Connection	Delay	4
	Disconnection				
Ombudsman			1		
Out of Jurisdiction			4		
Totals			262	16	2

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 usually 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 placed 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 and are not inferred, embellished or watered down by the investigation officer.

Complaint Trends

Complaint numbers have fallen during this reporting year. However, billing issues have risen substantially and I expect that this trend may continue as Aurora Energy now places contact details for the Energy Ombudsman on disconnection warnings.

Overall, billing issues were again the highest issue of concern to customers throughout the reporting year, with 118, up from 90 last year. Network related issues, such as vegetation management, provision and supply issues are overall down a little from last year.

I note that delays in new connections do remain high when compared with last year. This is an issue discussed in my foreword to this report, and as indicated there I would expect a reduction in the number of complaints concerning delayed connections in future years.

BILLING

Billing issues are evenly spread out across the range in this category. I note complaints stemming from arrears have dropped slightly. This may change in the future as Aurora Energy provides details for the Energy Ombudsman on disconnection notices. Complaints regarding customers disputing electricity accounts have risen over the last financial year. These complaints are often resolved through my office providing a clear explanation to the complainant on their patterns of usage and other factors that could give rise to a high account. Where necessary, I can arrange for a consultant, qualified in this area, to provide a complainant with additional details.

I continue to receive complaints regarding the requirement that a new business customer provide a security deposit before connection. I have raised my concern with Aurora Energy that, under the *Electricity Supply Industry (Tariff Customer) Regulations 1998* as currently drafted, it should take into account the customer's history of paying domestic electricity accounts when determining if a security bond should apply. I am aware that the Regulations may be amended in the future so that they deal differently with this issue.

PROVISION

Overall complaints about provision were down on the last reporting year. However, complaints regarding a delay in the connection of new electricity supply (23) were up on the 2005/06 reporting year. As noted above, I do expect an improvement in this area and I will continue to monitor new connection complaints over the 2007/08 financial year.

Poles and Wires: Complaints in this area are down. In particular, I have only received 3 complaints relating to private infrastructure, down from 12 last year.

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.

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 are down, particularly complaints regarding access to meters.

SIGNIFICANT ISSUES

Cases Referred to a Higher Level (RHL)

As mentioned in the foreword to this report, I have recently reached agreement with Aurora Energy to have some complaints made to me referred back to Aurora Energy to seek resolution at a higher level within that entity.

This process is utilised extensively in other jurisdictions as a means of seeking a quick resolution of a complaint by the entity without the need to proceed to a formal investigation.

Where a person's grievance has not yet been put to me in writing, and the person has not yet taken up the grievance with Aurora Energy, I will -

- refer them to Aurora Energy's call centre; and
- recommend that they come back to the Ombudsman if the complaint cannot quickly be resolved through that means.

Where the person has put their grievance to me in writing, or has already contacted Aurora's call centre and there does not appear to be any reasonable prospect of quickly resolving the grievance through that means, I will provide a team leader in Aurora Energy's call centre by email with details of the complaint and with contact details for the complainant, and request Aurora Energy to contact the complainant direct about the matter. I then recommend to the complainant that they come back to me to investigate the complaint if -

- where it is possible to contact the complainant by telephone, there has been no contact from Aurora within 48 hours;
- where it is only possible to contact the complainant by letter, there has been no contact from Aurora Energy within seven days; or
- where they have been contacted by Aurora Energy, the grievance has not been resolved within 21 days.

Aurora Energy must promptly inform me by email of -

- the receipt of the email from me referring the matter;
- contact with the complainant in accordance with these arrangements; and
- any success or failure in resolving the matter within 21 days.

If the matter is resolved, I then inform Aurora Energy by email when the file has been closed.

I maintain the discretion, on a case by case basis, of determining whether a complaint is to be referred to a higher level or whether it should be formally investigated. For example, I will investigate a matter without referral where the complainant has received a written rejection from Aurora Energy (as, for instance, in a damages claim).

The following case studies demonstrate the effectiveness of referring complaints to a higher level.

Complaint Number 0705009

The complainant contacted my office by telephone on Tuesday 8 May 2007 regarding a problem with her Aurora Pay As You Go (APAYG) meter failing to accept a credit of \$70.00 she had purchased. Aurora Energy advised the complainant to make three credits of \$5.00 over three days and said that the meter should then credit the \$70.00. This did not work so she was advised to repeat the procedure. The complainant contacted my office as she did not have sufficient funds to purchase another \$15.00 credit and she only had enough credit to last another week.

The complainant telephoned my office on Wednesday 9 May 2007 to advise that she had been contacted by Aurora Energy who had rectified her problem and the complaint had been satisfactorily resolved.

Aurora Energy made arrangements with the APAYG card point of sale to credit the complainant the \$70.00 she had initially purchased, together with the \$15.00 she had subsequently purchased in an effort to correct the fault. The complainant also requested that the APAYG meter be replaced with a standard tariff meter, which Aurora Energy agreed to do at no charge.

This complaint was forwarded to Aurora Energy at 4.00pm on 8 May 2007 and my office had notification of the resolution of the complaint by 11.00am the next morning. This demonstrates the effectiveness of the RHL process, particularly where the financial constraints of a customer necessitate a rapid resolution of a complaint.

Complaint Number 0705020

The complainant contacted my office by telephone on Thursday 24 May 2007 regarding the time it was taking for Aurora Energy to effect the disconnection of an overhead service conductor and the connection of underground mains.

In October 2005, the complainant was given 28 days by Aurora Energy to rectify a low hanging service conductor to his property. The complainant contacted Aurora Energy on 13 December 2005 to advise that he had installed an underground service main and was ready for the disconnection and connection to take place. The complainant's electrical contractor had submitted an Electrical Works Request (EWR) as required. The complainant again contacted Aurora Energy in early 2007 after his electrical contractor had submitted a second EWR for the work to be undertaken.

Following the referral of this complaint to a higher level, Aurora Energy quickly found that communication breakdowns within the organisation had led to the different sections involved in the process being unaware that the job was ready to be completed.

The complaint had been forwarded to Aurora Energy at 12.30pm on 24 May 2007. By 2.00pm on Friday 25 May 2007, Aurora Energy had a crew and electrical inspector on-site to complete the work required. Further, Aurora Energy provided the complainant with a \$100.00 *ex gratia* payment for the inconvenience caused by the delay.

Complaint Number 0705027

The complainant contacted my office by telephone on Thursday 31 May 2007, raising concerns about the amount of her electricity accounts. The complainant advised that at

the end of 2006 she had queried an account with Aurora Energy who re-adjusted her account down by approximately \$400.00. She remained concerned that the account was still too high and requested that I investigate further.

This complaint was referred to a higher level within Aurora Energy. Aurora Energy contacted the complainant on Friday 1 June 2007 and her account was discussed in detail. Aurora Energy also discussed the complainant's patterns of electricity usage to demonstrate areas where she may be able to make savings.

Aurora Energy notified my office on Monday 4 June 2007 that the complainant had been contacted and advised the outcome of that contact. The file was closed after my officer contacted the complainant and was able to verify that she was satisfied with the explanations provided to her by Aurora Energy.

This is a common example of billing complaints received in my office. The investigation officer may quickly determine that there could be a reasonable explanation for the issues giving rise to the complaint. In the normal course of events the investigation of this complaint may involve a number of letters and telephone conversations over a period of 2-4 weeks. By referring the complaint to a higher level this relatively simple matter was dealt with efficiently and effectively by the service provider.

Consultation

A number of complaints have been made to me regarding the level of consultation between Aurora Energy and a customer, particularly in relation to vegetation management.

It is important that Aurora Energy take all necessary steps to ascertain the true owner of the land on which it intends to undertake vegetation removal. While I clearly accept that Aurora Energy has a duty to protect its own assets and prevent damage to property from overhanging vegetation, I do believe that it is vital that the landowner affected has an opportunity to consult with the vegetation contractors.

The following are examples of where the lack of appropriate consultation has given rise to complaints to the Energy Ombudsman –

Complaint Number 0512013

The complainant lodged a complaint with me regarding a number of issues relating to the supply of electricity to his holiday house. Aurora Energy had contacted the complainant in 2002 to advise that it intended to have a tree on his property, that was impacting on nearby power lines, removed at no cost to him.

Aurora Energy contacted the complainant again in 2005 seeking permission to remove the tree. The complainant contacted the contractor engaged to undertake the work to request notification of when the work would occur and to advise that he intended to salvage the tree for firewood. The complainant told the contractor that he wished to be present at the property when the work was undertaken.

The complainant had no further contact until Aurora Energy contacted him to advise that the two trees had been removed and his cottage had been disconnected for safety

reasons. The complainant then visited his property to find damage to a fence and gate and other evidence of the work undertaken.

This complaint has been resolved through consultation between my office, the complainant and Aurora Energy. However, it is quite clear to me that the issues giving rise to the complaint would not have occurred if Aurora Energy had insisted on the contractor or its own officers consulting with the complainant, as had been agreed on two occasions prior to the work being undertaken. If the complainant had received notification and been present he could have made it clear the felled trees were to stay and he could have consulted directly in relation to the safety issues rather than receiving notice after the event.

Complaint Number 0606016

The complainant contacted my office after she found vegetation under high voltage power lines crossing a part of her property had been cleared without any consultation or notice to her. The vegetation was a part of a natural wet forest community.

Aurora Energy advised me that its contractors understood the area of land they cleared, parallel to a steep driveway to both the complainants and her neighbour's property, was owned by the neighbour rather than the complainant. Further, Aurora Energy had consulted with the neighbour who claimed ownership of the subject land and gave approval for the work to be undertaken.

The information relied on by Aurora Energy from a search of the Land Information System Tasmania (LIST) was not clear as to the precise location of the power lines and cleared land underneath.

My office understood the need for vegetation to be removed and trimmed in the power line clearance zone. We were also aware that the work was undertaken in a manner that minimised the impact on the surrounding bush. However, given the fact that the driveway served several properties and the difficulty in ascertaining precisely on whose land the power lines were located, I believe Aurora Energy should have consulted with each of the property owners to ensure the true owner of the land was adequately consulted prior to the work being undertaken.

Aurora Energy Call Centre

Complaints made to this office frequently include some comment on difficulties the complainant has experienced when dealing with the Aurora Energy call centre. Most commonly a complainant will state that if it was possible to get beyond the call 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.

This has been highlighted to some extent by the success of those complaints that have been referred to a higher level in Aurora Energy. Generally these complaints are resolved efficiently and effectively simply because they are elevated to a person who has the knowledge or authority to quickly resolve the issues raised.

From time to time the version of events from a complainant regarding their discussions with a call centre operator is found to be at odds with the real situation after listening to recordings of the conversations. For this reason it is prudent to be cautious about whether a complaint

about customer service is a valid issue in the complaint or simply a byproduct of the frustration the complainant has experienced in attempting to have a complaint addressed.

Throughout the 2007/08 reporting year, this office will take a closer interest in any complaint that includes customer service from the call centre as an issue, with a view to determining whether there are issues with Aurora Energy's contact with customers at the call centre level.

CASE STUDIES

Complaint Number 0609017

The complainant contacted my office in mid December 2006 regarding the placement of a pole, supplying his and neighbouring properties, in front of the access to his property. The location of the pole partially impaired foot access at the entrance to the complainant's newly built house. The complainant stated that he had not been consulted about the proposed placement prior to the pole being installed. Aurora Energy claimed that it had discussed the proposed location with the complainant's builder.

The pole was installed in a right-of-way, adjacent to a Telstra pit. Aurora Energy claimed that the location of the pit and conduits either side limited the availability of appropriate sites for the pole. Aurora Energy proposed connecting the complainant from another pole on the other side of the right-of-way. This would necessitate the need to create an easement over the right-of-way for either above or below ground mains.

During the time this complaint was being investigated the property next door to the complainant, also supplied from the subject pole, was sold. My officer liaised extensively with the real estate agent, and subsequently the new owner, to seek an alternative supply to both properties. The complainant's new owner has plans to demolish the two dwellings on the property and was agreeable to both his and the complainant's supply being placed underground from a turret to be placed outside his property on the other side of the Telstra pit away from the complainant's access.

Aurora Energy accepted this proposal as a viable alternative and agreed to undertake this work at no extra cost to either the complainant or his new neighbour.

The resolution of this complaint provided a sensible compromise and a far better outcome for all parties, as the property owners could dispense with above ground infrastructure adjacent to and across their properties and Aurora Energy could take advantage of new building works to effect a more appropriate supply.

Complaint Number 0611017

The complainant contacted me after he received a quote from Aurora Energy to relocate poles and wires that crossed two parcels of land that he owned.

The complainant lived nearby to his parcels of land. He proposed to sell his family home and one of the vacant parcels and to build a new home on the other vacant parcel of land. The most appropriate site for a house on the land he intended to sell was near a power pole that formed a tee off for high voltage conductors in two different directions. One direction was over the land he intended to build on, which also had a pole and transformer located in such a position to limit building options.

The complainant was provided with a quote of almost \$16,000 to relocate this infrastructure, which included some vegetation removal. During the course of the investigation, Aurora Energy provided a revised quote of approximately \$21,500 to undertake this work.

My officers met with Aurora Energy and the complainant on-site. At that meeting it was revealed that the complainant had an agreement with Aurora Energy's predecessor, the Hydro Electric Corporation, for the pole and conductors on the proposed building block to be relocated to the property boundary at no charge to the complainant. The Aurora Energy representative at the site meeting had some knowledge of this arrangement and was of the view that Aurora Energy should honour the agreement.

As a result, Aurora Energy agreed to undertake the work as initially requested. The relocation of the pole and wires on the block earmarked for sale would be at the complainant's cost. Aurora Energy, at its cost, would move the pole and wires to the boundary of the building block, install an additional pole and remove vegetation for disposal by the complainant. The revised quote was approximately \$5,500, which the complainant readily accepted as a fair and reasonable outcome to his complaint.

Complaint Numbers 0612010, 0702005 & 0702006

The first complainant contacted my office in mid December 2006 regarding a proposed upgrade of Aurora Energy infrastructure in her street. Following receipt of her complaint I received notification that other residents shared the complainants concerns with the impact the upgrade might have on the visual amenity of their properties.

Aurora Energy intended to place a transformer and high voltage conductors in the street, in addition to existing poles and low voltage conductors. This was to provide an upgraded supply in the area, principally to service a new subdivision nearby.

My officers conducted a site visit with Aurora Energy, the complainant and a number of other residents. This enabled the residents to discuss their concerns about the impact the proposal would have on the view from their properties. As a result of the meeting, Aurora Energy proposed to install a ground mounted transformer, replace the existing poles with poles 1.5 metres higher above the ground, underground the existing low voltage conductors and install high voltage conductors above ground.

Another site meeting was held with the residents where Aurora Energy utilised a measuring pole to demonstrate the impact of the higher poles. At that meeting the complainant advised my officer that she was satisfied that the amended proposal had allayed her concerns and she believed her complaint had been resolved.

I did receive two further complaints regarding the potential for electric and magnetic fields (EMFs) emanating from the ground mounted transformer.

My officer arranged for a meeting between Aurora Energy and the complainants to discuss this issue. Aurora Energy was able to explain that the transformer was to be a mid range size that is commonly found in urban areas of Tasmania. Aurora Energy advised that the transformer would be built into a bank on the nature strip and be no higher than an adjacent wood paling fence. The transformer would be approximately 30 and 50 metres from the complainant's properties.

I did offer to seek further independent advice regarding the EMFs, but this was not accepted.

I believe my office achieved a reasonable outcome regarding this matter. In fulfilling its obligation to supply electricity, Aurora Energy must from time to time upgrade supply to

meet increasing demand. The company showed a willingness in this case to seek alternatives that ensured the supply was upgraded at a reasonable cost and without overtly impacting on the existing residents.

Complaint Number 0701012

The complainant contacted my office following difficulties she encountered with having natural gas connected to her property. She understood that Powerco would provide a high-pressure gas pipe from the gas main on the street to her house approximately 35 metres from her property boundary.

Powerco had indicated to the complainant in initial discussions that it would offer a free connection up to 25 metres inside the property boundary, subject to conditions. The complainant believed that this was a binding agreement and that she could expect to have a meter connected to her house.

In the written offer from Powerco to the complainant it was proposed that the meter be placed adjacent to a driveway two metres inside the property boundary.

The investigation found that the complainant's property was steep and rocky. The material Powerco provide with its offers include a range of conditions and variables such as slope and terrain. Powerco claimed that it would simply not be economically viable for it to provide a high-pressure connection to the complainant's house. The specifications for low-pressure piping are far more lenient and would be significantly easier and cheaper to install. Powerco claimed that it did not undertake any low-pressure work and the complainant would need to engage a gas fitter.

Following a site inspection and detailed discussions with both parties, I accepted that it would be more appropriate to place the high-pressure infrastructure just inside the property and to install a low-pressure pipe to the house. As part of the resolution of this matter I was able to arrange for the meter to be placed in a location preferred by the complainant, and to ensure that an incentive payment of \$1,600 remained available to the complainant despite her exceeding the timeframe for the offer.

ENERGY OMBUDSMAN BUDGET AS AT 30 JUNE 2007

	2005/06	2006/07
	\$	\$
Opening Balance		
Revenue	-500,937	-421,925
Operating Expenditure		
Salary Related Expenditure		
Salary Expenditure	358,200	328,921
Other Employee Related Exp	4,268	922
Total Salary Related Expenditure	362,468	329,843
Non Salary Expenditure		
Information Technology	16,030	12,713
Materials, Supplies and Equip	21,197	6,929
Travel and Transport	8,773	10,049
Property Expenses	63,412	39,896
Finance Expenses	0	31
Other Expenditure	30,311	16,495
Consultants	11,988	5,969
Total Non Salary Expenditure	151,711	92,082
Total Operating Expenditure	514,179	421,925
Closing Balance		0

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