



# ENERGY OMBUDSMAN Tasmania

ANNUAL REPORT 2005/2006

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## FROM THE OMBUDSMAN

This is my first Annual Report as Energy Ombudsman. The role of ombudsman under the *Energy Ombudsman Act 1998* is given to the Ombudsman appointed under the *Ombudsman Act 1978*, and I was appointed to that position with effect from 20 August 2005.

In fact, the *Energy Ombudsman Act* only uses the words "Energy Ombudsman" in the title to the Act, but it is useful to use the title of Energy Ombudsman to distinguish the Energy jurisdiction from the other jurisdictions for which the Ombudsman has responsibility.

Two other people have had responsibility for the affairs of the Office during the reporting year, 2005/6. Jan O'Grady was Ombudsman for the period up to 20 August 2005, and Richard Bingham acted as Ombudsman from 29 November 2005 until 10 July 2006, whilst I was absent on extended sick leave. I wish to thank them both for their service, and particularly Richard for his direct assistance to me.

Two staff positions have been dedicated to the work of the Energy Ombudsman during the reporting year. Ray McKendrick has been Principal Officer (Energy) for the full year. He is supported by an Investigation Officer, a position which has variously passed from Trish Barron to Anna Curtain, and most lately to Kathryn Holden. I thank all of these members of staff for work well done.

As can be seen from the statistics later in this report, the number of both enquiries and complaints received during the year has been less than in previous years. The reasons for this are not obvious, but it may reflect higher standards of service within Aurora Energy, which is the energy entity against which, as the sole electricity retailer in the State, most complaints are made. Two members of staff have been sufficient to manage this workload, but it may be necessary to devote additional staffing resources to the task if the number of complaints increases.

I note that there are still only a few hundred retail gas customers in the State, and at present only small numbers of customers seeking gas connections. This is reflected in the statistics, which record only 3 complaints against the gas distributor Powerco Tasmania during the reporting year. All of these concerned connection to gas.

It is important to note the jurisdictional limits to the Energy Ombudsman jurisdiction. The right to make a complaint under the Act only applies where the person "has a grievance concerning any service of, or relating to the sale and supply of gas or electricity by, an energy entity" : s 6. Complaints are received against energy entities which do not involve service provision or the sale and supply of energy – for instance some complaints about damage to land or the use of easements. Where the energy entity is a State-owned company, it may be possible for me to address the matter as a complaint under the *Ombudsman Act*, but if that is not the case I must decline to act. This raises the question of whether the jurisdiction under the *Energy Ombudsman Act* should be expanded, so that all energy entities can be treated equally. I propose to keep this issue under review.

Another issue is whether the definition of "gas" in the Act should be amended to include LPG. There are some premises in the State, such as homes for the aged, where LPG is reticulated through the premises from a central LPG tank. It would seem appropriate in such cases for the users of the gas to be able to have recourse to the Energy Ombudsman to address complaints about service provision and the sale and supply of gas by the energy entity providing the LPG.

An interesting feature of the reporting year is that no awards have been made against an energy entity, whereas 4 were made in each of 2002/3 and 2003/4, with 6 occurring in 2004/5. I would like to think

that this is a result of effective communication with the three entities against which the complaints resolved during the year were made. Ordinarily, if a complaint is justified, it should be possible to persuade the entity of this and obtain resolution without compulsion.

The Office has generally had a good working relationship with the energy entities during the reporting year, and I am confident that this will continue.

**SIMON ALLSTON**  
**ENERGY OMBUDSMAN**

# 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 it is now cited as 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 functions and powers of the Energy Ombudsman 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.
- (3) In performing and exercising his or her functions and powers, the Ombudsman must act independently, impartially and in the public interest.

## WHO MAY 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 2002 – 2006

Number of Complaints	2002/3	2003/4	2004/4	2005/6
B/Forward from Previous	27	19	22	35
Opened in Period	433	394	379	283
Closed in Period	431	411	366	255
Opened & Closed in Period	415	379	347	226
Carried Forward (still Open)	19	22	35	58

Table 2. Enquiries and Complaints Received

	2003/4			2004/5			2005/6		
	Enquiries	Complaints	Both	Enquiries	Complaints	Both	Enquiries	Complaints	Both
Aurora Energy	57	335	392	95	277	372	61	216	277
Hydro Tasmania	0	1	1	0	2	2			0
Transend Networks	0	1	1	0	2	2	1	2	3
Powerco			0			0	0	3	3
<b>Total</b>	<b>57</b>	<b>337</b>	<b>394</b>	<b>95</b>	<b>281</b>	<b>376</b>	<b>62</b>	<b>221</b>	<b>283</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	Grand Total
Aurora Energy Pty Ltd	46		13	67	61	43	8	11	249
Hydro Tasmania									0
Transend Networks	2			1			1		4
Powerco	1							1	2
Origin Energy									0
<b>Grand Total</b>	<b>49</b>	<b>0</b>	<b>13</b>	<b>68</b>	<b>61</b>	<b>43</b>	<b>9</b>	<b>12</b>	<b>255</b>

Table 4. Closure Reasons

Closure Reasons	2002/3	2003/4	2004/5	2005/6
Dismissed 10.1 (b) - referred to Energy Regulator	3	2	1	0
Dismissed 10.1 (c) - lacks substance	33	16	21	26
Dismissed – complaint not received in writing	63	82	53	21
Dismissed - dealt with by others	16	6	14	1
Dismissed Other	4	2	1	1
Case Withdrawn	32	12	10	13
Complaint Resolved	87	89	75	65
Resolved – Fair Offer	Nil	2	5	3
Enquiry Only	82	57	84	61
Explanation Given; No further action	88	89	66	43
Referred to Aurora	18	31	11	11
Referred to Transend	Nil	1	Nil	0
Referred to Powerco				1
Award Made	4	4	5	0
Referred to Court	1	Nil	Nil	0
Out of Jurisdiction	2	18	19	9
<b>Total</b>	<b>433</b>	<b>411</b>	<b>366</b>	<b>255</b>

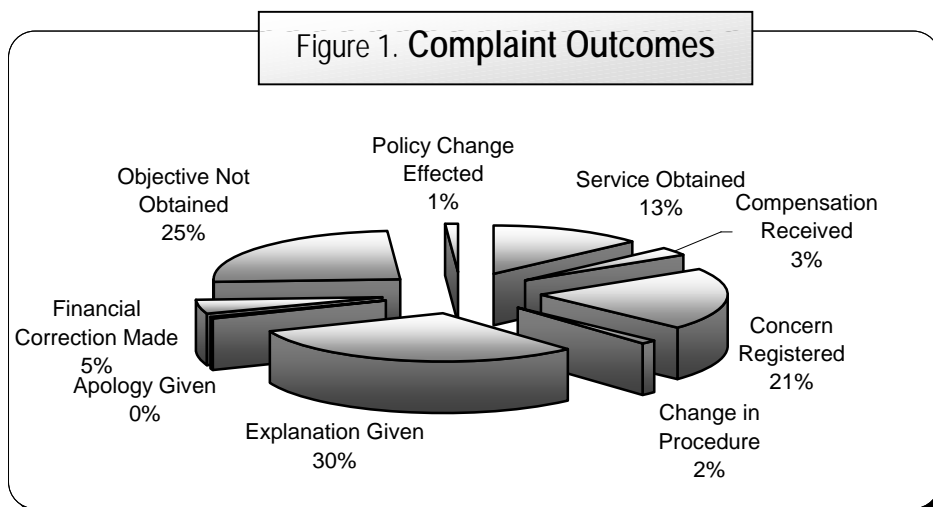
### Explanation of Closure Reasons –

1. **Dismissed – lacks substance:** The Ombudsman dismissed 26 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 21 complaints recorded under this category, a significant reduction from previous years. 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 was only one complaint in this category.
5. **Case Withdrawn:** There were 13 cases withdrawn during the reporting period. A complainant may withdraw a case for a number of reasons; the problem may have resolved itself, the



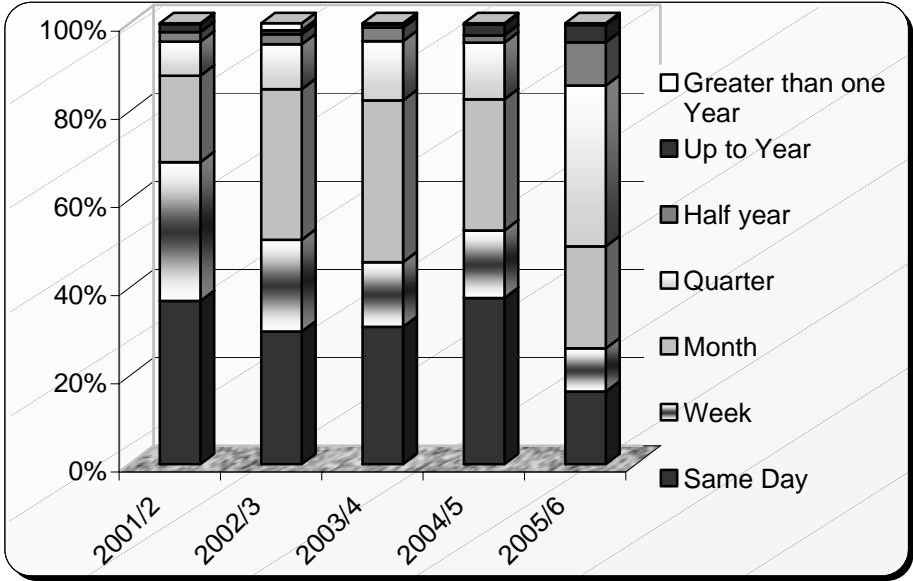
information provided along the way to the complainant has resulted in a change of mind about a perceived problem or the complainant just no longer wants to proceed with the complaint.

6. **Complaint Resolved:** There were 65 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 43 complaints recorded in this category. Complaints are recorded in this category where there has been an explanation provided by the entity or the Ombudsman that satisfies the concerns raised by the complainant. Discussions with complainants that provide a satisfactory explanation may be about a perceived billing issue, current legislation and the requirements of the Tasmanian Electricity Code or the role and function of the Ombudsman.
8. **Resolved – Fair Offer:** There were 3 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 9 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.



**Closure Activity**

Figure 2. Time Taken to Finalise



**Complainant Demographics**

Figure 3. Consumer type

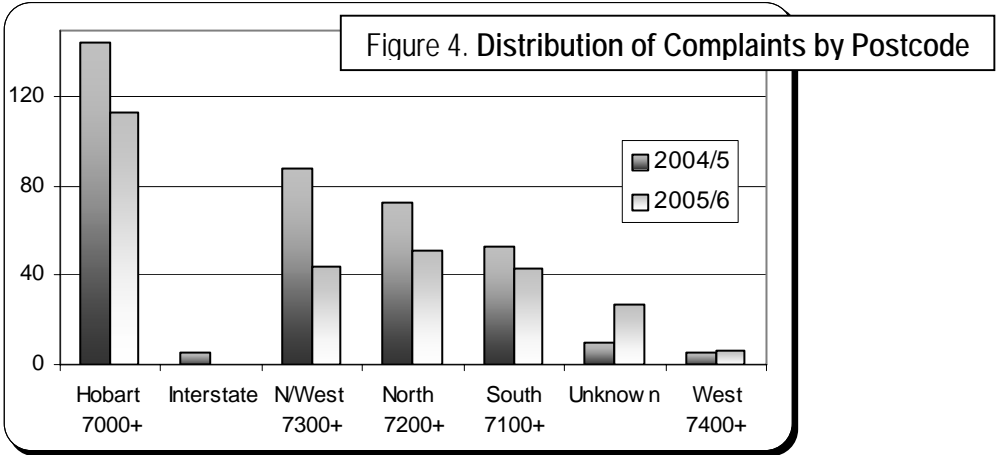
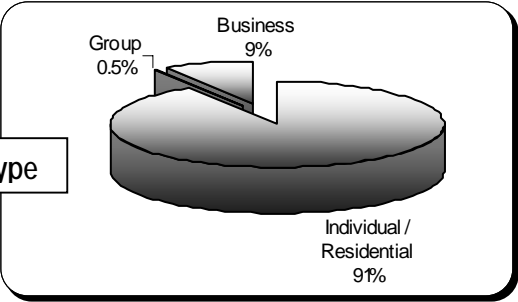


Table 4. Closure Reasons July 2005 to June 2006

Category	Issue	Sub issue	Primary	Secondary	Tertiary	
Billing	Arrears		8	0	0	
		Difficulty in payment	11	5	0	
		Disconnection	4	4	1	
		Error	3	0	0	
	Error			1	1	2
		Debt transfer		2	1	0
		Disconnection		1	0	0
		Fees		1	0	0
		No bill		3	2	1
		Other		5	1	0
		Statements		2	0	0
	Fees			2	1	0
		Connection		0	1	0
		Late fees / Interest fees		1	0	0
		Meter checking		0	2	0
	High	Service & Meter Charges		2	0	0
				5	2	1
		Difficulty in payment		0	2	0
	Hydro Heat	Disputed		7	4	2
				1	0	0
	Meter			4	0	0
		Accuracy		3	2	0
		Not read		3	0	0
Pay As You Go			5	0	0	
Separation			0	1	0	
Payment			4	1	1	
	Agents		0	1	0	
	Lost Payment		1	0	0	
	Payment Plan		4	4	1	
Security deposit			1	1	1	
	Amount		3	0	0	
	Exemption		1	0	1	
	Interest		0	1	0	
	Refund		0	1	0	
Tariff			1	0	0	
	Incorrect		1	0	0	
	Rate		0	1	0	
	Health Care Card Concession		1	0	0	
<b>Billing Total</b>			<b>90</b>	<b>39</b>	<b>11</b>	
Customer Service	Contractor	Pricing	1	0	0	
	Failure to respond		6	1	0	
		Information		2	3	0
		Incorrect		0	1	0
		Information / Consultation		2	5	0
		Poor attitude		5	8	2
	Reduced service		2	0	0	
<b>Customer Service Total</b>			<b>18</b>	<b>18</b>	<b>2</b>	

Category	Issue	Sub issue	Primary	Secondary	Tertiary	
Land	Damage	Property	3	0	0	
	Existing easement	Access	1	0	0	
		Use	2	0	0	
	Meter		Access	2	0	0
			Cost	7	0	0
			Blank	1	1	0
			PAYG	1	0	0
				2	0	0
	New easement	Placement	0	1	0	
	Other		2	0	1	
Towers	Placement	1	0	0		
Tree trimming / clearing		5	2	0		
Nuisance		2	0	0		
<b>Land total</b>			<b>29</b>	<b>4</b>	<b>1</b>	
Provision	Connection	Authorisation	9	1	1	
		Capital contribution	2	0	0	
		Delay	1	2	0	
		Information	19	5	0	
		Other costs	4	1	1	
			0	0	1	
	Disconnection		Error	3	0	0
			Other (non bill)	3	0	0
			Supply / defect	3	2	0
				1	0	0
	Poles and wires		Cost	7	0	0
			Placement	7	2	0
			Private Lines	11	3	0
			Safety	12	2	0
			0	2	1	
Street Lighting	Repair		2	0	0	
			2	0	0	
<b>Provision Total</b>			<b>86</b>	<b>20</b>	<b>4</b>	
Supply	Damage	Customer Equipment failure	1	0	0	
		Dist Sys Failure	3	4	0	
		Gen/Trans Sys Fail	1	0	0	
			1	0	0	
	Outage (planned)		Duration	1	0	0
			Notice	0	2	0
				1	0	0
	Outage (unplanned)	Duration		3	0	0
			1	1	0	
Quality	Variations (voltage)		2	1	0	
			5	0	0	
<b>Supply Total</b>			<b>19</b>	<b>8</b>	<b>0</b>	
Customer Service (Gas)	Information	Incorrect	2	0	0	
Provision (Gas)	Connection	Delay	0	1	0	
	Disconnection		1	0	0	
None			7	0	0	
<b>Totals</b>			<b>246</b>	<b>90</b>	<b>18</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 the substance of a complaint usually raises 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/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. The issues may be consolidated following the initial response to the complaint by the entity that the complaint is against.

## Complaint Trends

Overall complaint numbers were significantly down on last years' figures but some trends have maintained similar patterns from last year. There is no obvious reason for such a reduction and I will watch developments through this year with interest.

Billing was again the highest issue of concern to customers throughout the reporting year, with 90 of recorded contacts relating to billing issues. As was the case in the last reporting year, complaints about provision (86) were the second highest recorded area of concern, almost as high as billing issues.

### BILLING

**Arrears:** A total of 26 complaints were recorded in this category. Complaints regarding disconnection for debt continue to remain fairly low and difficulty in meeting the payment of arrears remains a significant area of concern for some customers.

### PROVISION

**Connection:** Complaints in this category were once again significant, with the highest number (19) concerning a delay in providing a new connection of electricity supply. The ability to provide these connections within the legislated timeframe continues to be a significant problem for Aurora Energy.

**Poles and Wires:** Thirty-seven complaints relating to poles and wires were recorded. Complaints in this category might relate to the placement of poles or infrastructure, the cost to the customer of installing or replacing private poles, the customer's contribution to the Development Mains, and other issues surrounding private lines, for example, ownership and responsibility issues.

### 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.

### 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.

## SIGNIFICANT ISSUES

### COMPLAINTS ABOUT DELAYS IN PROVIDING AN ELECTRICITY CONNECTION TO A NEW DWELLING

As in the last two reporting years, I am still receiving a considerable number of complaints regarding Aurora Energy's delays in providing new electricity connections. It would appear that this is still quite a significant problem for Aurora in terms of staff resourcing, poor administrative processes and apparent failure to keep customers appropriately advised when it has been necessary to reschedule work.

By way of information, when a customer or a builder requires a new electricity connection, their electrical contractor must provide notice of this to Aurora Energy in the form of an Electrical Working Request (EWR). This EWR provides the relevant technical information to Aurora enabling the new supply connection to go ahead. Once Aurora has received this document, the connection may then be scheduled. Under current legislation, where there are changes involved to Aurora infrastructure, Aurora has 40 business days on receipt of the EWR to provide the electricity connection. Where there are no changes involved to the Aurora infrastructure, Aurora has 10 business days on receipt of the EWR to provide the electricity connection.

The following cases identify some of the problems experienced by complainants.

#### **Complaint Number 0606003**

The complainant contacted my office by telephone on Friday 2 June 2006. She and her husband are renovating a house in North Hobart, built in the 1830's. They have had an extension built incorporating a new kitchen and bathroom. The complainant, her husband and 18-month-old baby had just returned from five and a half weeks overseas on Monday 29 May 2006 to find that there was no power to the extension and very little power available in the existing house. Consequently, there was no hot water and no electricity for cooking, lighting, heating. The complainant spoke to Aurora Energy about the problem on Tuesday 30 May 2006, as had their electrical contractor.

My officer determined this was an urgent complaint and contacted Aurora Energy for advice as to what had caused the delay in having the power connected.

My officer was advised that the electrical contractor put his paperwork into Aurora Energy on 5 May 2006; Aurora Energy confirmed that the paperwork had been logged as received on 12 May 2006.

Aurora Energy has a ten business days' condition for new connections, which is set out in its Customer Charter. As the house was already connected, the ten business days' condition did not apply.

Late on Friday afternoon Aurora Energy advised my officer that the power would be connected at 9.00am on Sunday 4 June 2006. Aurora Energy said that one issue with the delay was that the complainant's electrical contractor had indicated he wished to be on site when the power was connected. My officer contacted the complainant requesting that her electrical contractor liaise with Aurora Energy.

The complainant contacted my office again on Monday 5 June 2006 to advise that Aurora Energy had tried to connect the power on Sunday morning but discovered there was a problem with the street clearance of the power line coming from across the road. Aurora Energy would need to install a crossover pole to bring the height of the power line to the Standards height. Aurora Energy advised the complainant that this could now take months because of budget constraints

at Aurora Energy. However, as my office had been contacted, Aurora Energy endeavoured to connect the power that day.

Installation of a raiser bracket had been suggested, but Aurora Energy decided to go with a crossover pole. This complaint was then classified as a design job for a new supply installation, which could take four to six weeks for the design to be completed.

My officer asked if a temporary connection could be provided, or a generator. Aurora Energy advised that these were not options.

A site meeting was requested by my officer with a technical person from Aurora Energy to establish exactly what the delay was in having the job completed. This was organised for Thursday 8 June 2006. However, because of the following course of events the meeting was not required.

Late on the afternoon of 7 June 2006 Aurora Energy advised that the job had been designed and was issued for construction. The complainant called my office shortly thereafter to advise that there were technicians from Aurora Energy outside her house looking for a location to erect the crossover pole. The technicians could not understand why this job was taking so long as it would probably take approximately one hour to have the pole erected.

Aurora Energy contacted my office on 8 June 2006 to advise that the crossover pole was to be installed that day and that the power may also be connected.

My officers conducted a site visit that day to confirm that the crossover pole was being installed.

The crossover pole was installed and power connected on 8 June 2006.

### **Complaint Number 0606008**

The complainant and her husband were moving into their newly constructed house at Carlton on 5 June 2006, with electricity connection scheduled. They had a private pole installed on 5 June 2006. Aurora Energy arrived to connect electricity, but advised that the pole was not certified. The complainant's electrical contractor provided a certificate to Aurora Energy on 30 May 2006. The job was then re-scheduled by Aurora Energy for connection on 13 June 2006 – ten business days as stated in the Customer Charter. The complainant advised she applied for connection some time around 18 May 2006.

On 7 June 2006 Aurora Energy advised that a bucket truck and crew were required for the job. As there was not a bucket truck or crew in the area this would hold up the job.

The complainant said she would hire a cherry picker to get the job done sooner. Aurora Energy advised this was not an option as a crew was also required.

On 8 June 2006 Aurora Energy advised that the supply line would be run into the complainant's property during the morning on Friday 9 June 2006. However, this crew would not be able to complete the final connection. My office was advised that the final connection would be completed by an after hours crew on the evening of 9 June 2006, unless the after hours crew was called away to an emergency.

Power was connected to the complainant's property on 9 June 2006. However, the complainant advised that neither the morning crew nor the evening crew required the use of a bucket truck to complete this job.

## COMPLAINTS ABOUT VEGETATION MANAGEMENT UNDER AND ADJACENT TO DISTRIBUTION POWERLINES

### Complaint Number 0510009

The complainant lives on the mainland and owns a rural property in the North-West of Tasmania which is rented out. Aurora Energy advised the complainant that a row of conifers running down his driveway, adjacent to high voltage power lines, and five or six conifers across the end of his drive had the potential to impact on the power lines.

The complainant explained to Aurora Energy that he intended to maintain these conifers as a hedge and he would ensure they did not impact on the integrity of the power lines or create any risk to the community. Aurora Energy accepted that the conifers adjacent to the power line were easily accessible and could be maintained as intended. The conifers at the end of the drive running underneath the power lines were on the edge of a steep grassy slope which Aurora Energy believed would limit access for future trimming and would therefore continue to pose a threat to its asset.

My officers conducted a site visit and agreed that the proximity of the conifers to the high voltage infrastructure, the potential for prolific growth of the conifers if not regularly maintained and the inaccessibility of the conifers at the end of the drive were reasonable concerns for Aurora Energy. In fact, my officers were surprised that Aurora Energy had not requested the removal of the conifers parallel with the driveway. This also caused some confusion for the complainant who believed it possible to maintain all of the trees.

I recommended that Aurora Energy undertake appropriate vegetation management on the complainant's property but requested that it consult further with the complainant before removing any trees.

### Complaint Number 0507018

The complainant contacted my office after he received notification from Aurora Energy of the intention to remove vegetation along the access road to his rural property. The vegetation at issue was a couple of conifers and a mature eucalypt growing quite close to Aurora Energy's power lines and a range of immature native species.

My officers conducted a site visit with the complainant and Aurora Energy. As a result of the discussion at that meeting, Aurora Energy agreed to move fuses located on a pole just inside the complainant's property to a pole on the road reserve at the property entrance. This reduced much of the risk associated with one of the conifers and meant both conifers could remain in place subject to appropriate trimming to maintain safe distances. The large eucalypt was removed and Aurora Energy agreed to work with the complainant in managing the remainder of vegetation located under the power lines along his access road. This would include advice on which species are appropriate for such locations, which species are inappropriate under power lines and what would be expected in managing the vegetation in the long term.

### Complaint Number 0605050

The complainant contacted me after a contractor engaged by Aurora Energy had felled a large eucalypt tree on her property. The contractors advised her that they had been instructed not to remove or mulch the tree. The complainant operates a native garden business and was concerned the tree would have a negative impact on her customers.

My officers contacted Aurora Energy who advised that it was usual practice to deal with felled vegetation according to instructions from the customer. In this case a communication breakdown



between the contractor and Aurora Energy had left the complainant with a very large mess to remove from her property.

Aurora Energy agreed to remove the tree and the contractor returned with a chipper to create mulch, which was made available to the complainant.

## COMPLAINTS ABOUT BONDS FOR NEW COMMERCIAL CUSTOMERS

### Complaint Number 0602024

The complainant recently purchased a small business and made arrangements with Aurora Energy to be connected as a new business customer. Aurora Energy requested the complainant provide a security deposit as he could not demonstrate a history of paying business accounts. In his complaint, the complainant claimed that he had a satisfactory record of paying his residential account and he felt that this should be sufficient to meet Aurora Energy's requirements.

Aurora Energy advised that the deposit is applied under Regulation 7(2) of the *Electricity Supply Industry (Tariff Customer) Regulations 1998* which provides for a security deposit where a new business customer has no history of paying electricity accounts, has an unsatisfactory record in relation to the payment of electricity accounts or has an unsatisfactory credit rating.

I wrote to Aurora Energy and stated my view that the Regulation does not refer to a history of paying business accounts but, rather, a history of paying electricity accounts generally.

Aurora Energy informed me that it has been their policy for some time to require new business customers to provide a security deposit. Further, Aurora Energy advised that it is intended that the part of Regulation 7(2) that refers to a new customer with no history of paying electricity accounts will be amended to refer to a new business customer with no history of paying business accounts.

Aurora Energy was advised that while it may have a policy of requesting new business customers to provide a security deposit, it must apply a policy that does not breach the legal requirements as prescribed in the Regulations. On the information provided, the complainant did not appear to be a credit risk as contemplated in the provisions of Regulation 7(2).

## CASE STUDIES

### Complaint Number 0605053

The complainant contacted my office by telephone late on the afternoon of 13 April 2006, being Easter Thursday, advising that there were no power lines connecting his property to the main electricity grid. The urgency arose as his partner had just given birth and both his partner and baby were due to come home on 23 April 2006, Easter Saturday; they had nowhere else to go. The complainant's property is located some distance south of Hobart.

The complainant advised my officers that Aurora Energy was supposed to connect the power on 12 April 2006. Representatives from Aurora Energy had inspected the property and advised the complainant that the work would need to be re-scheduled to 21 April 2006 as the use of a bucket truck was required for the job.

My officers are required to determine the urgency of any complaint and act accordingly. In this case the officer handling this complaint immediately contacted Aurora Energy and was advised that Aurora would try to locate a team leader to organise the job. This complaint turned out to be more than a connection as a low voltage (LV) line had been constructed and lines erected to the last power pole. The connection needed to be completed from the last power pole to the house.

Aurora Energy was able to locate a team, and power was connected to the property around 5.30pm that evening.

### Complaint Number 0506026

The complainant contacted my office after a new private pole on her property split and was condemned shortly after installation. The installation contractor damaged the complainant's fence and gate and she was reluctant to have him return to replace the condemned pole.

As the complaint clearly related to the sale and supply of electricity my officers liaised with Aurora Energy and the contractor in seeking to resolve the complainant's concerns about having the work done to her satisfaction.

As a result of the consultation the contractor agreed to reimburse the complainant for the cost of the private pole and its installation provided she had the pole removed by a person with appropriate competencies and insurance. The complainant engaged a local logging contractor to cut the pole off at the ground, cut it into pieces and remove it from her property. She also engaged a local electrical contractor to place her supply underground from the Aurora pole adjacent to her house.

The complainant was very happy with the outcome as she no longer had above ground electrical infrastructure on her property and she was able to achieve this outcome with little additional cost beyond the initial placement of the pole and wires.

### Complaint Number 0605007

The complainant contacted my office by letter in April 2006 about curtilage on his farming property.

Curtilage is a courtesy service that Aurora Energy provides to farmers. Essentially, it is an area attached to a dwelling or house as part of its enclosure, and in rural terms it generally refers to the 'home paddock'. Aurora Energy defines this as the area supplied by a single transformer, that also supplies the farmhouse or dwelling. For example, if there is a shed, dairy, workshop or pump that is supplied from the same transformer as the dwelling, then it will be exempt from the fixed charge.

The complainant's enquiry regarded two sheds on his farm that are located within 80 metres of each other, but over 500 metres from his dwelling. Because the two sheds are supplied by a different transformer to the one that supplies the dwelling curtilage does not exist.

Aurora Energy suggested that the complainant consider having the two sheds connected by a sub main, thus eliminating one metered installation, and the service charges for the second shed. This work would need to be undertaken by his electrical contractor.

#### **Complaint Number 0605039**

The complainant and her husband operate a child-care centre on the NW coast, which caters for 31 families.

Aurora Energy sent a notice to the complainant for a planned outage on Tuesday 16 May 2006 between the hours of 9.00am and 3.30pm. The outage was for the purpose of augmenting low voltage (LV) conductors to LV aerial bundled cable (ABC) and to upgrade the transformer.

The complainant 's complaint was that Aurora Energy did not give her enough notice to organise for a generator in order for the child-care centre to continue to operate during the outage. She advised she received the notice on Friday the 12 May 2006. Aurora Energy has to give four full business days' notice; in this case only two days' notice had been given. The complainant advised my office that the Department of Education had told her the child-care centre would need to close down if there was no power. The complainant was extremely concerned.

My officer contacted Aurora Energy, and the representative from Aurora Energy agreed that not enough notice had been given.

Aurora Energy also advised that the delivery of the notice of planned outage had been outsourced to a contractor. A representative from the contractor had organised for a generator to be supplied to the child-care centre. He would contact the complainant on Monday 15 May 2006 to organise a time to connect the generator, which would take approximately 10 minutes, and a time to collect the generator at the end of the day.

#### **Complaint Number 0605037**

The complainant contacted my office after receiving a notice to have his private pole replaced as it constituted a safety risk. Otherwise his electricity supply would be disconnected. His main concern was that he believed the pole not to be a private pole as it serviced more than his property and he thought the pole was on Crown land as it was located on a reserved road.

My officers conducted a site visit on 31 May 2006 to confirm whether the pole constituted a safety risk and to ascertain how many properties were being supplied from the power pole. It appeared that two properties were being supplied. The complainant's property has an underground supply from the pole; his neighbour has an above ground supply.

My officers sought advice from Aurora Energy as to what constitutes a 'private' pole. Aurora Energy advised that a private pole is able to supply more than one customer and remain a private pole. Ownership of a pole is investigated once there are three or more customers supplied by the pole. In deciding to take over ownership of a pole, Aurora will only do so once the pole has been brought up to current standards and once an easement has been granted.

In this case, the pole was considered to be a safety issue. The pole had been temporarily made safe by a rope being attached to the pole.

Aurora Energy advised that on 15 June 2006 a contracting company had gone to the complainant's property to quote on replacing the pole, and the complainant had verbally agreed to the quote. The pole was to be replaced within the next few days.

Aurora Energy also advised that the complainant had said he was going to see a lawyer about this matter. My office has heard nothing further from the complainant.

## ENERGY OMBUDSMAN BUDGET AS AT 30 JUNE 2006

Actual Expenditure	2003/04	2004/05	2005/06
<b>Employee Related</b>			
Salaries & Wages	\$200,822	\$187,135	\$330,554
Superannuation	\$22,310	\$18,035	\$27,646
Other Employee Related Expenses	\$1,781	\$4,183	\$4,268
<b>Total Employee Related</b>	<b>\$224,913</b>	<b>\$209,353</b>	<b>\$362,468</b>
<b>Fuel, Light &amp; Power</b>			
<b>Total Fuel, Light &amp; Power</b>	<b>\$2,506</b>	<b>\$2,126</b>	<b>\$2,066</b>
<b>Administration</b>			
Advertising & Recruitment	\$2,474	\$10,884	\$5,919
Rental	\$44,370	\$46,128	\$60,258
Communications	\$6,002	\$7,583	\$8,429
Travel	\$4,528	\$10,398	\$8,773
Consultancies	\$5,776	\$5,356	\$11,988
Operating Leases	\$13,102	\$11,161	\$7,392
Printing & Stationery	\$5,429	\$7,652	\$7,606
Other Admin Exp	\$4,736	\$5,431	\$7,653
<b>Total Administration Expenses</b>	<b>\$86,417</b>	<b>\$104,593</b>	<b>\$118,018</b>
<b>Other Expenses</b>			
Repairs & Maintenance	\$85	\$276	\$1,088
Equipment - minor	\$6,184	\$5,910	\$6,199
Computers / IT minor purchase	\$9,500	\$2,800	\$16,030
Other Expenses	\$10,105	\$2,896	\$8,310
<b>Total Other Expenses</b>	<b>\$25,874</b>	<b>\$11,882</b>	<b>\$31,627</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$114,797</b>	<b>\$118,601</b>	<b>\$151,711</b>
<b>TOTAL EXPENSES</b>	<b>\$339,710</b>	<b>\$328,134</b>	<b>\$514,179</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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