



Tasmania

ENERGY OMBUDSMAN Tasmania

Annual Report 2004/2005



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Our Mission Statement

The mission of the Energy Ombudsman is to serve the Tasmanian community by independently, impartially and objectively investigating complaints made by customers about the electricity entities and making recommendations in a fair and equitable manner. The Ombudsman also has the power under the Act to make Awards and assist the electricity industry to improve its service delivery.

Our Vision

The vision of the Energy Ombudsman is to be recognised as an independent, effective review body, with a significant role in service delivery improvement at an entity level, complaint resolution for the industry and its customers, and in providing advice to all stakeholders.

Our Values

The Energy Ombudsman Office acts in accordance with the following values:

- all people, irrespective of language, background, or beliefs are treated fairly and diversity is encouraged and respected;
- all staff are accountable for working to achieve the goals of the Energy Ombudsman;
- on-going learning, creativity and participation are valued;
- the provision of high quality and effective services is acknowledged as the focus of each working day, and staff are provided with the skills necessary to deliver such services;
- the need to work cooperatively with other stakeholders outside our jurisdiction is recognised and embraced; and
- all the dealings of the Energy Ombudsman are conducted with fairness and integrity.

Our Stakeholders

The Parliament and people of Tasmania
Electricity entities
Office of the Energy Regulator
Electricity consumers
Consumer consultative committees
Welfare agencies
ANZEWO – the national network of Energy Ombudsman

Our Objectives

- To provide an efficient, effective and timely complaint resolution service;
- To improve the delivery and standard of energy services to the community.

FROM THE ENERGY OMBUDSMAN

The 2004 to 2005 Reporting Year marks both a beginning and an end for me as Ombudsman as I shall retire from office in August 2005.



On 1 January 2005 I was appointed the Energy Ombudsman to receive complaints made pursuant to the *Energy Ombudsman Act 1998* (the Act). The Act has amended the *Electricity Ombudsman Act 1998* to allow the Energy Ombudsman to take complaints from consumers who have complaints against electricity entities, licensed under the *Electricity Supply Industry Act 1995*, as well as natural gas entities licensed under the *Gas Act 2000*.

I am pleased that before leaving I have seen the new Energy Ombudsman jurisdiction firmly established and well positioned to take on its expanded responsibilities for natural gas. The Ombudsman will officially begin receiving gas complaints on 1 July 2005 and I am grateful that the Government agreed to provide funding to enable a six-month lead in period for the new jurisdiction. I would also like to formally acknowledge the work undertaken by Morgen Hughes, Special Project Officer, to develop the new procedures and policies for gas complaints

The Hon Judy Jackson MHA launched the new energy jurisdiction, at the Henry Jones Art Hotel on the evening of 27 June 2005, at which over fifty representatives from the energy industry, government and community groups attended. I was very pleased to have the support of the Western Australian Gas Industry Ombudsman, Deidre O'Donnell and the Victorian Energy and Water Ombudsman, Fiona McLeod at the launch. I would also like to put on record my thanks to my other Energy Ombudsman colleagues in NSW, South Australia and New Zealand for their support, assistance and collaboration throughout my tenure. Their interest in the Tasmanian jurisdiction, and their willingness to share materials, experiences and ideas with my staff, demonstrates the strength and the cohesion of the Australia and New Zealand Energy and Water Ombudsman Network (ANZEWON).

I have very much enjoyed my industry Ombudsman role. The work is diverse and challenging and is, in many respects, very different from complaints brought to me under my general State Ombudsman role. For example, consideration must frequently be given to highly complex technical considerations, which require us to draw on the expertise of outside consultants. It is also true to say that the regulatory framework that governs the energy industry can, on occasion, exert a significant influence on the outcomes that the Energy Ombudsman is able to achieve. In the main, however, independence, impartiality, accessibility, fairness, and reasonableness are the core characteristics of the Energy Ombudsman role as they are of the general Ombudsman role.

In early June 2005, I appointed Ray McKendrick to the new position of Director (Energy Investigations). This appointment clearly demonstrates my belief that the role of the Energy Ombudsman will continue to grow as natural gas is connected to domestic and commercial consumers in urban and regional Tasmania. The position is also a great boost to the staffing arrangements of the office which, for much of the reporting year, has relied on the efforts of Acting Senior Investigations Officer, Trish Barron to deal with the heavy investigations work load.

During the reporting year I made a significant effort to raise community awareness of the Energy Ombudsman jurisdiction. In particular, I utilised the large attendances at Agfest, by establishing an information booth, which allowed the office to reach the mainly rural consumers who traditionally may not have been aware of the services provided by the Energy Ombudsman.

As I leave the role of Energy Ombudsman I would like to see a continuation of efforts to develop a new database for the office. There is carry over funding available for this and I would urge the Department to ensure the efficiency of the office is enhanced through a more user and client friendly system.

Finally, I must also express my appreciation of the co-operation and mutual respect that has been generated between my office and the electricity entities, particularly in situations where each office may seemingly be seeking to achieve quite separate goals. I am confident this working relationship will carry over to the new natural gas entities that come into the jurisdiction on 1 July 2005.

It is with great pleasure that I present my final report, as Energy Ombudsman, for the 2004/2005 reporting year.

A handwritten signature in cursive script that reads "Jan O'Grady". The signature is written in black ink and is positioned in the lower-left quadrant of the page.

Jan O'Grady
Energy Ombudsman



ABOUT THE ENERGY OMBUDSMAN

HISTORY

Prior to the disaggregation of the Hydro Electric Commission in 1998, responsibility for the protection of consumer interest 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. Parliament determined that the State Ombudsman should be appointed to the role of Electricity 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*. In January 2005, the Electricity Ombudsman became the Energy Ombudsman and from 1 July 2005 the office will be able to receive complaints from consumers within both the electricity and natural gas industry in Tasmania.

The *Energy Ombudsman Act 1998* is the basis for the way the jurisdiction functions.

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 electricity, by an electricity 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.

AWARDS and AGREEMENTS REGISTERED AS AWARDS

A complaint is finalised under s. 21 (c) if the Ombudsman makes a determination as an Award, enforceable under the provisions of the Act.

The *Energy Ombudsman Act 1998* outlines the actions that the electricity entity may be required to do as part of an Award.

- (a) *Pay compensation in the amount determined by, or determined in the manner specified by, the Ombudsman;*
- (b) *Provide goods or services to the complainant;*
- (c) *Amend or waive a charge for a service provided by the complainant;*
- (d) *Undertake corrective work;*
- (e) *Correct, delete from or add to any record kept in respect of the complainant by the electricity entity;*
- (f) *Do or refrain from or stop doing any other act.*

A complaint is finalised under s. 21 (b) when an agreement reached, between the complainant and the energy entity, is registered by the Ombudsman. This may be when the entity agrees to the Ombudsman's recommendations or alternatively, during the course of the investigation, when the entity makes an offer of settlement which is accepted by the complainant.

The use of registered agreements under the Act provides a mechanism to document the outcome of the investigation and the resultant action on the part of the electricity entity. The Award is binding and enforceable under s.27 of the Act.

During this reporting year, six Agreements were registered as an Award under the *Energy Ombudsman Act 1998*. These are listed below.

Award 1 – Complaint Number 0311010

The investigation concerned the emergency disconnection of electricity supply because of an identified low wire. The disconnection was to an irrigation pump and occurred at a very hot, dry time and the farmer, Mr E, was unsure whether he had enough water in the dam for irrigation for the next three days until a further pole was installed on the line. Mr E complained to the Ombudsman that he had been given no prior warning which would allow him to take precautions, that the line did not pose a risk to anyone and that damage resulting in financial loss had occurred to his pea crop because of the disconnection. He provided a detailed claim for damages to his crop in the amount of \$6,838.00.

The critical question in the investigation was how a line that had been installed only four years previously could have sagged from the required height of 6.7m to a height of 4.3m at its lowest point. The investigation identified that the terrain and the placement of the poles meant that the required clearances would have been difficult to achieve at the time of installation and would have required that each of the aerial conductors were sagged accurately and checked. Aurora was unable to provide any documentation or information to show that this had occurred, or that the line had been installed to the correct standard height, that it had been inspected upon completion or at any time over the four year period. There had been no remedial work carried out on the pole ground stay that would indicate any pole movement that might have caused sagging. Therefore it was believed that the only possible causes for the aerial conductor sag of 4.3 metres could have been one or a combination of the following:

- *Original installation was based on a ground clearance of 4.6 metres (i.e. considered to be rough country not negotiable by vehicles).*
- *Original installation was not carried out accurately resulting in a 4.3 metre ground clearance on one or all three aerial conductors.*
- *Original installation was based on a ground clearance of 6.0 metres (i.e. considered to be over other than roads) but was difficult to achieve as the location of the poles, the terrain profile beneath the aerial conductor and the tee off beneath the primary circuit pole all contributed to the height losses resulting in 4.3 metre clearance in one or all three aerial conductors.*

Aurora agreed to pay the complainant's claim for damages to his pea crop in the amount of \$6,838.00.

Award 2 – Complaint Number 0303013

This investigation related to an ongoing dispute between the Complainant and Aurora Energy with regards to two sections of Aurora owned infrastructure, one section, which crossed the Complainant's property, and one section, which partially crossed the Complainant's property. The issues accepted for investigation concerned:

- Aurora Energy's vegetation management contractors' practice of accessing the complainant's property without prior notice to carry out regular and routine vegetation management; and
- Aurora Energy's use of emergency powers on one occasion to enter the Complainant's property to remove 70 trees from a commercial crop.

The Ombudsman's investigation found that although Aurora Energy had the right under legislation to access its existing easements to carry out vegetation management, it also had a responsibility under the same legislation to provide 'reasonable' notice. Aurora had been well aware that the Complainant had repeatedly requested advance notice prior to Aurora Energy or its contractors entering his property and yet this had never been provided. In the circumstances, the Ombudsman believed it reasonable that the Complainant be provided with this notice and an Agreement was registered as an Award between the parties to that effect.

The investigation also found that Aurora had been aware of the proximity of the trees to the powerline corridor as early as December 2001 and had in fact over the following 15 months carried out two investigations to determine the appropriate action to take. However, no action was taken until January 2003, when a letter was drafted to send to the Complainant. This letter was never sent. Two months later in March 2003, a high fire risk prompted Aurora's use of emergency action to remove the trees. The Ombudsman found that Aurora's lack of action over the 15 months had in fact, contributed to the emergency situation, meaning had it taken appropriate action sooner, there would have been no emergency.

This complaint highlighted a lack of internal complaint recording and management within the Distribution Network arm of Aurora Energy. One of the Ombudsman's recommendations was:

- That Aurora Energy take steps to clarify the responsibilities and roles of the various departments which were involved in this matter such as to ensure that each is aware of its future responsibility for receiving, recording, managing, following up, and mediating disputes. This responsibility should preferably be in one management area, with a clear line of reporting to the General Manager of Network.

Award 3 – Complaint Number 0402010

This investigation centred on Aurora Energy's practice of providing its customers with an indicative quote on the cost of a new supply electricity connection. The Complainant had been provided with a telephone indicative cost of \$2,423, followed up by a letter advising that the estimated cost would be \$0. Some weeks later, she received a final written offer advising the cost would be \$22,292. The Complainant alleged that she had invested a considerable amount of time and money in preparing to build a dwelling on her block of land, on the basis of the initial advice. She stated that in effect, this had been wasted, as there was no possibility of her being able to afford \$22,292 to obtain an electricity connection. Had she known initially of the likelihood of the actual cost, she would never have decided to build.

The investigation found that the information provided to the Complainant in the initial telephone call and the follow-up correspondence did not adequately advise that the cost was merely 'indicative'. From the point of view of the Complainant, she had not been advised that the amount was merely a 'guesstimate' and therefore relied upon the information that had been provided to her by Aurora. Following the Ombudsman's preliminary report, an agreement between the parties to provide the supply at a cost of \$9,014 was registered as an Award.

During the investigation, the Ombudsman considered Aurora Energy's practice of providing customers an 'indicative' quote by telephone when approaching Aurora for a new supply connection. Aurora advised that in 2000, it had introduced a "New Supply Group" which was intended to provide customers with a central point of contact to arrange for new power supply connections. They advised that the introduction of this 'group' meant that Aurora designers did not become involved in the negotiations until the customer had confirmed that a formal proposal was required, thus ensuring a more efficient use of resources.

However, the Ombudsman had very real concerns whether in providing a more efficient use of resources for Aurora Energy, this practice also provided an efficient and dependable service for the customer.

Aurora advised that it had initiated the introduction of a "New Supply Brochure" which was intended to assist customers to assess and document their requirements prior to requesting a supply proposal from Aurora. Aurora stated that this would enable it to provide more accurate 'indicative' prices to new supply customers.

Award 4 – Complaint Number 0407012

In my last Annual Report, I commented on the number of enquiries and complaints I received regarding delays in providing customers with new electricity connections. The following investigation concerned such a delay.

By way of background, when an electrical contractor has completed his electrical work on the new dwelling, he must provide Aurora Energy with an Electrical Working Request (EWR) which contains appropriate technical information to enable Aurora Energy to then schedule and carry out the final connection of the new supply to its infrastructure. Under current legislation, where there are changes involved to Aurora infrastructure, Aurora has forty business days on receipt of the EWR to provide the electricity connection. Where there are no changes required to the Aurora infrastructure, Aurora has ten business days to provide the electricity connection.

In this case, the EWR submitted by the electrical contractor on 31 May, was lost by Aurora Energy. It was a telephone call from the Complainant that alerted Aurora to this and made it necessary for the electrical contractor to send the EWR again. This caused a delay of 7 days.

The final connection work required by Aurora was scheduled and rescheduled on four different occasions. Three of these were due to Aurora's workload and lack of operational resources.

However, the investigation found that not all the delay could be attributed to Aurora Energy and that the electrical contractor was responsible in some measure. For example, Aurora initially completed the necessary changes to its infrastructure, but the electrical contractor had not completed his part of the project, meaning a delay of another two and a half weeks. The Complainants had believed that it had been Aurora who had caused all the delays, when in fact this was not the case.

This complaint highlighted the problems for customers when depending on the electricity company and an electrical contractor. It is a case of "Who does what, and when?" The Complainants were from interstate and were provided with no information which might assist them to understand the process of obtaining a new electricity connection, or which would enable them to clarify the differing roles of the customer, the electrical contractor and Aurora Energy throughout the process.

Aurora advised the Ombudsman of a new brochure that it was currently producing and which would attempt to clarify the roles of each party in obtaining an electricity connection for a new dwelling. Aurora provided the Ombudsman with a draft of the proposed brochure for information and comment. Most of the suggestions made to Aurora by the Ombudsman were incorporated. However, the Ombudsman had concerns that the role of the electrical contractor in the process had still not been sufficiently clarified for customers.

The investigation resulted in an agreement between the parties that Aurora pay loss of income caused by the delay in the amount of \$748.50. The agreement was registered as an Award.

Award 5 – Complaint Number 0409035

This complaint also concerned a delay in providing a temporary electricity connection to a new dwelling. Aurora Energy had admitted that it was outside the legislated timeframe in providing a new connection and had offered the complainant the maximum provided for in its Customer Charter, \$150.

The Complainant contacted the Ombudsman because he believed that this was not acceptable given the inconvenience and frustration that the delay had caused him in trying to complete the building of his new home. The Ombudsman found that Aurora Energy was actually thirteen days outside the legislated timeframe to provide the connection and that Aurora should pay the Complainant \$30 for each of those thirteen days, an amount of \$390.00. An Agreement between the parties was registered as an Award.

Award 6– Complaint Number 0409005

This investigation related to a damaged computer that the Complainant believed had been caused by a power surge. Aurora had denied liability of the claim on the basis it had no record of faults on its system at the time the computer had been damaged.

The Complainant's repairer was of the opinion that the computer had been damaged by an abnormal supply fluctuation or spike. The Ombudsman sought the assistance of an electronics expert who carried out an independent test of the Complainant's computer. The expert advised that the damage was consistent with that expected from a power surge.

The Complainant had been seeking compensation in the amount of \$3,200, the purchase price of the equipment. An Agreement between the parties for the cost of the current market replacement of the damaged item in the amount of \$625.00 was registered as an Award.

ACTIVITY FOR THE REPORTING YEAR

Table 1. Activity 2000 – 2005

Number of Complaints	2000 – 2001	2001 – 2002	2002 – 2003	2003 – 2004	2004 – 2005
B/Forward from Previous	20	22	27	19	22
Opened in Period	367	504	433	394	379
Closed in Period	367	504	431	411	366
Opened & Closed in Period	345	483	415	379	347
Carried Forward (still Open)	22	19	19	22	35

Note: 2001/2002 Balance carried forward varies due to closed cases that were re-opened in July 2002.

Figure 1. Opened in Period 2000 – 2005

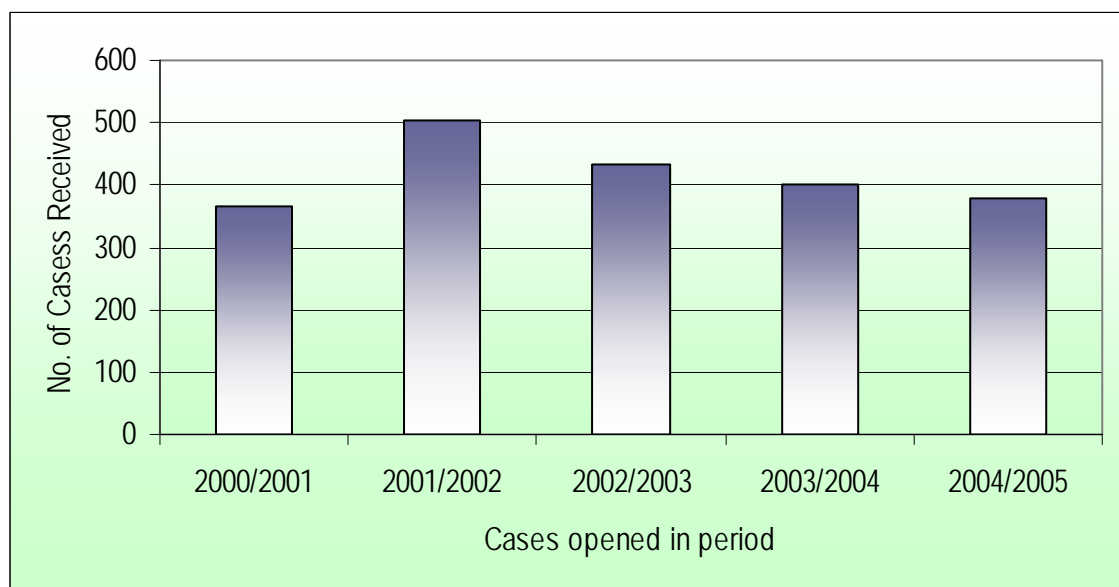


Table 2. Enquiries and Complaints 2004/2005

Category	Origin Energy 2004/2005	Aurora Energy		Hydro Tasmania		Transend Networks		TOTAL	
		2003/04	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04	2004/05
Enquiries	3	57	95	Nil	Nil	Nil	Nil	57	97
Complaints	0	335	277	1	2	1	2	337	282
TOTAL	3	392	372	1	2	1	2	394	379

Origin Energy complaints are outside the Energy Ombudsman's jurisdiction.

Figure 2. Complaints and Enquiries, monthly trend from July 2002 – June 2005

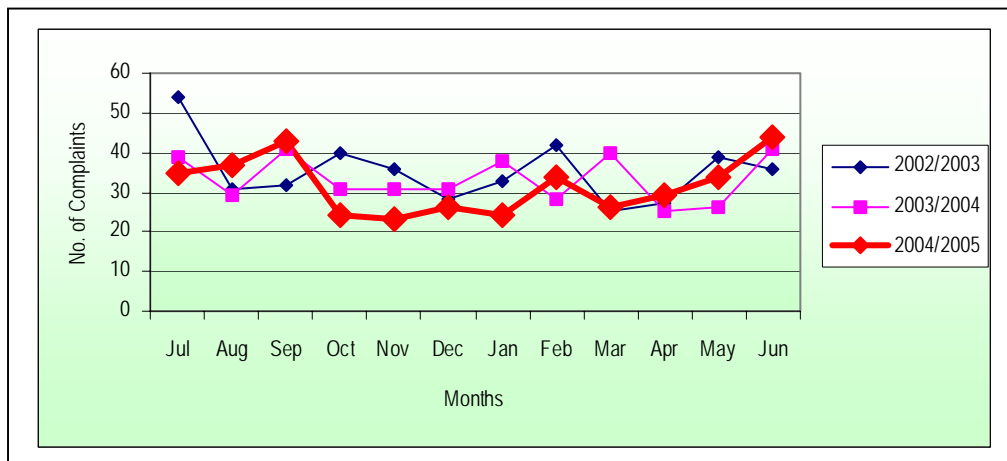


Table 3. Closure Reasons, Entities

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	88	6	10	80	84	66	16	11	361
Hydro Tasmania	2								2
Transend Networks							3		3
Origin Energy							3		3
Grand Total	90	6	10	80	84	66	19	11	366

Table 4. Closure Reasons July 2002 to June 2005

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

Explanation of Closure Reasons

- 1. Dismissed – referred to the Regulator:** This complaint was from a customer on King Island who was complaining about what he considered to be an extremely high winter account. The Ombudsman considered the complaint in some detail and provided the complainant in writing with a detailed explanation of his high bill. However, as the complaint not only concerned the consumption of electricity, but the cost of electricity, the complaint was then referred on to the Regulator.
- 2. Dismissed – lacks substance:** The Ombudsman dismissed 21 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 electricity entity.
- 3. Dismissed – complaint not received in writing:** There were 53 complaints recorded under this category representing approximately 15% of contacts to the office. 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 often 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.
- 4. Dismissed – dealt with by others:** This category recorded 14 complaints for the reporting period. A complaint will be recorded in this category where it is resolved prior to the Ombudsman making enquiries.
- 5. Dismissed – frivolous, not in good faith:** There was only one complaint in this category.
- 6. Case Withdrawn:** There were ten 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.
- 7. Complaint Resolved:** There were 75 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.
- 8. Explanation Given, no further action:** There were 66 complaints recorded in this category. Complaints are recorded in this category where there has been general discussion with the complainant. Discussions 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.
- 9. Resolved – Fair Offer:** There were five 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.

10. **Out of Jurisdiction:** There were 19 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 by an electricity entity.

Figure 3. Complaint outcomes

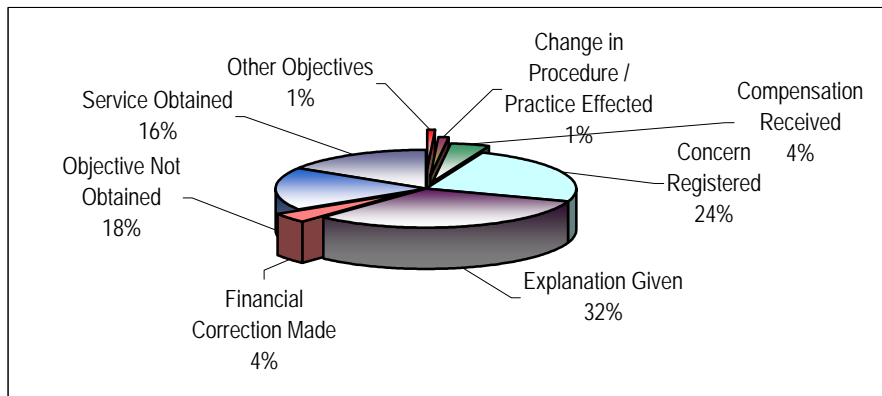


Figure 4. Gender Statistics

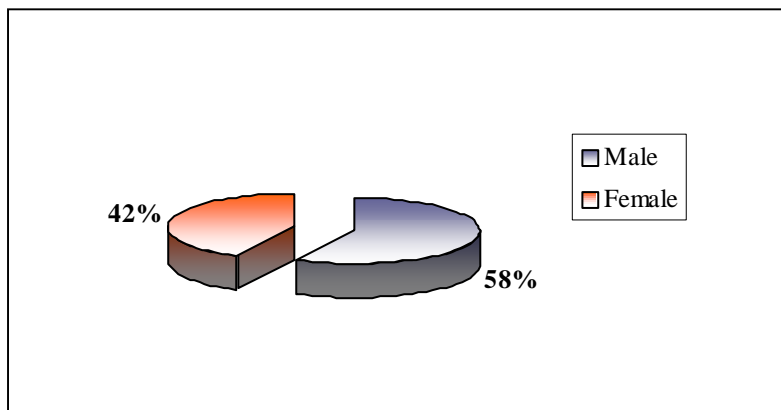


Figure 5. Consumer Type

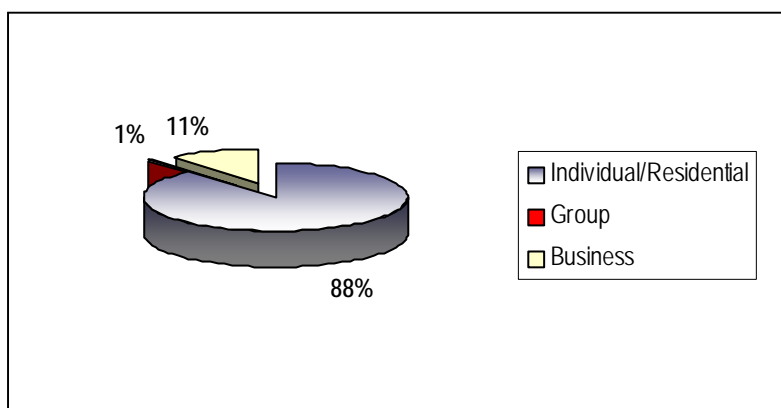


Figure 6. Time Taken to Finalise

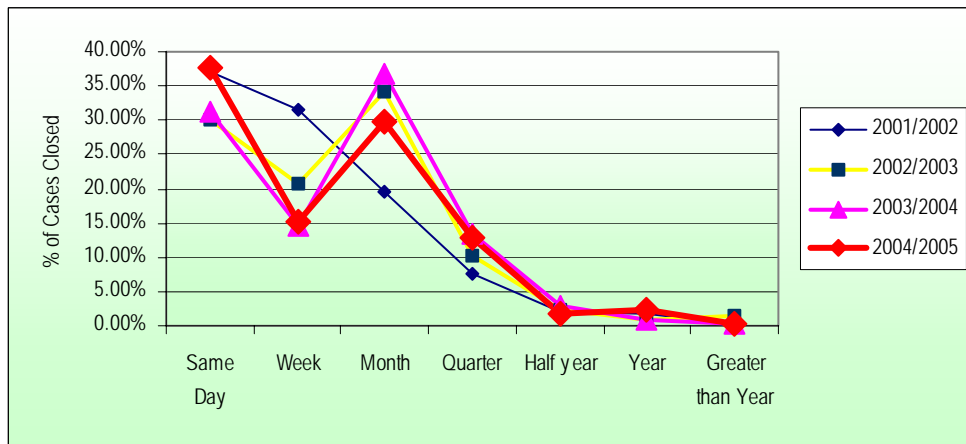
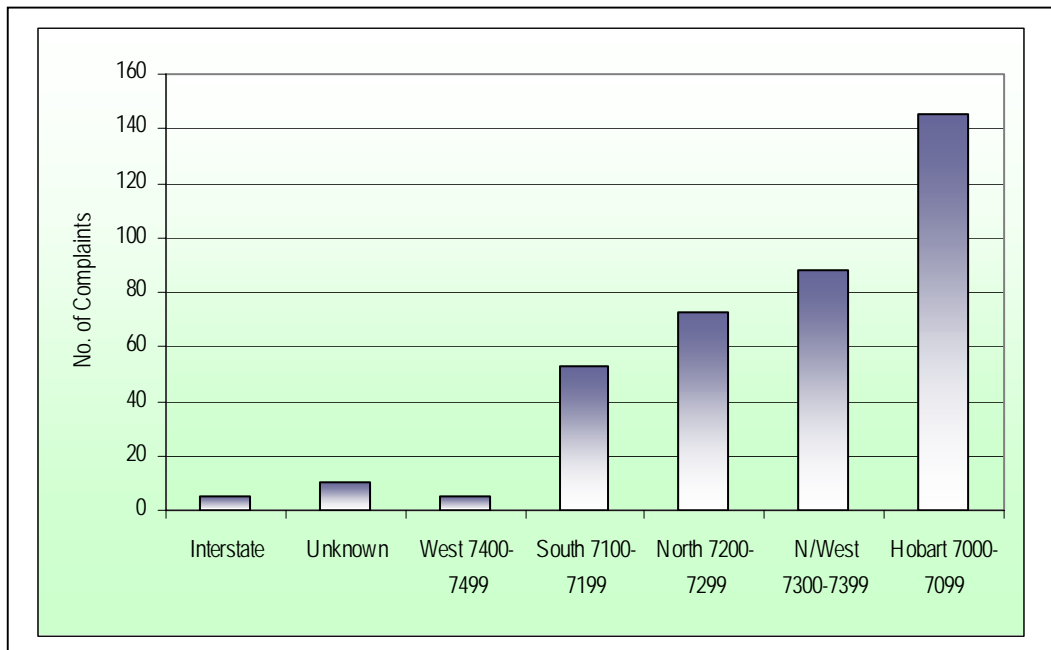


Figure 7. Distribution of Complaints by Postcode



COMPLAINT ISSUES FOR 2004-2005

ISSUE	SUB ISSUE		PRIMARY	SECONDARY	TERTIARY	TOTAL	
Billing	Arrears	Difficulty in payment	16	2	1	19	
		Disconnection	13	2		15	
		Error	7	2	1	10	
	Error			1	1		2
		Debt transfer		7			7
		Disconnection		5			5
		EasyPay		2			2
		No bill		1	1		2
		Other		13	3		16
		Pay As You Go		1			1
	Fees	Connection		3			3
		Meter checking		2			2
		Other			1		1
		Reconnection		1			1
		Service & Meter Charges		3		2	5
	Health Care Card Concession			1			1
	High	Difficulty in payment		6	1		7
		Disputed		30	2		32
		EasyPay		1	1		2
		Estimated		2	1		3
	Hydro Heat			2			2
	Meter	Accuracy		1	1		2
		Misread		1	2		3
		Not read		5			5
		Pay As You Go		4		1	5
		Separation			1		1
		Tampering / Damage		1			1
	Minimum charges			2			2
	Payment	Instalment rate			1	1	1
		Lost Payment		2			2
		Payment Plan		6	4		10
	Pensioner rebate	Error		1	1		2
		Information		1			1
Security deposit			1			1	
	Amount		2			2	
	Exemption		2			2	
Statement	EasyPay			1		1	
	Information			2		2	
Sundry Debtor			3			3	
Tariff	Incorrect		3			3	
	Information				1	1	
	Rate			1		1	
Billing Total			152	31	7	190	

ISSUE	SUB ISSUE		PRIMARY	SECONDARY	TERTIARY	TOTAL
Customer Service	Contractor	Other	5	2	1	8
		Pricing	2			2
	Failure to respond		4	10	1	15
	Information	Not Provided	3	2		5
		Incorrect	2	1		3
	Information / Consultation		7	13	5	25
	Poor attitude		1	14	8	23
Reduced service		7	9	3	19	
Customer Service Total			31	51	18	100
Land	Damage	Property	2			2
	Existing easement		1			1
		Access	1		1	2
		Use	6			6
	General environment			1		1
	Meter	Access	4			4
		Cost	2	1		3
		Placement	3	1		4
		PAYG	2			2
	New easement	Placement		1		1
Other		4			4	
Towers	Placement	1			1	
Tree trimming / clearing		2			2	
Land Total			28	4	1	33
Out of Jurisdiction	Out of Jurisdiction		6			6
Provision	Connection	Authorisation	10			10
		Delay	54	1		55
		Information	2	3		5
		Other costs	1		1	2
		Supply upgrade	2			2
	Disconnection	Error	1	2	1	4
		Other (non bill)	2			2
		Supply / defect	1			1
	Poles and wires		1			1
		Cost	11			11
		Maintenance	1			1
		Placement	9	4	1	14
		Private Lines	16	2		18
Safety	2	1	1	4		

ISSUE	SUB ISSUE		PRIMARY	SECONDARY	TERTIARY	TOTALS	
Provision continued	Reconnection	Safety Check	2			2	
	Street Lighting		1			1	
Provision Total			116	13	4	133	
Supply	Damage	Customer Equipment Failure	7	4	2	11	
		Distribution System Failure	1	1		2	
		Gen/Trans System Failure	2			2	
		Unknown Cause	2	1		3	
		Outage(unplanned)		1			1
	Quality	Duration		10			10
		Frequency		2			2
		GSL Payments		1			1
				2	1	1	4
		EMF		2			2
	RFI		1			1	
	Variations(voltage)		15	1		16	
Supply Total			46	8	3	57	
Grand Total			379	107	33	519	

COMPLAINT TRENDS

Billing was again the highest issue of concern to customers throughout the reporting year, with 152 of recorded contacts relating to billing issues. Complaints about provision were the second highest recorded area of concern (116) and have increased significantly since last reporting year. Fifty-five of these relate to a delay in providing a new electricity connection. Complaints concerning customer service were high again this year. Across the primary, secondary and tertiary issues, customer service issues totalled 133.

Billing

Arrears: A total of 36 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.

High: Complaints disputing the amount of the Aurora accounts numbered 30 this reporting year. This was to be expected with the extremely long and cold winter last season. However, some other problems were identified, such as a reading for a six month period instead of the normal three and in one case a very high estimated reading which unfortunately for the customer turned out to be very close to the actual reading taken upon the Ombudsman's request.

Provision

Connection: Complaints in this category were once again significant, with the highest number (54) 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: Forty complaints relating to poles and wires were recorded. Complaints in this category may 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 e.g. ownership and responsibility issues.

Supply

Complaints in this category may 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.

Variations (voltage): There were 15 complaints recorded in this category which was a significant increase from last reporting year.

Land

Complaints recorded in this category may relate to alleged damage to customer property as a result of provisioning work, or the use of easements. Complaints may 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

In my last Annual Report I commented on the increased number of complaints and enquiries I had received for the reporting year regarding Aurora Energy's delays in providing new electricity connections. During the last reporting year, Aurora had advised that it was conducting an internal review of its processes of new supply connections.

This reporting year, I am still receiving a considerable numbers of complaints about this same issue and it would appear that it is still quite a significant problem for Aurora Energy 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 Energy has forty business days on receipt of the EWR to provide the electricity connection. Where there are no changes involved to the Aurora infrastructure, Aurora Energy has ten business days on receipt of the EWR to provide the electricity connection.

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

Problems in delay of design process

Complaint Number 0409023

This complaint was from a builder who was seeking not only compensation, but an immediate reorganization of Aurora Energy's processes for electricity connections to new dwellings.

In February 2004, the Complainant's electrical contractor had provided Aurora Energy with a 'start work notice' as the Complainant was aware that the connection might cause some difficulties and some delay because of the need to go underground across a public road and along a public footpath. On the receipt of the notice, Aurora set up an account for the Complainant, but took no further administrative action even though it had noted for the 'New Supply Group' to contact the customer. It was only when the electrical contractor telephoned Aurora Energy two months later to enquire what was happening, that the customer was eventually contacted by Aurora Energy and the process began. The actual design process for the underground work commenced in June 2004, four months after Aurora had initially been advised.

The connection of the new supply was completed by Aurora in October 2004, some nine months after the initial advice. At this time, the building of the home had been completed for nearly three months, with the Complainant's customers unable to move into the new dwelling because of the lack of an electricity supply.

Complaint Number 0411013

In this case, the EWR was submitted by the Electrical Contractor on 16 September 2004. However, a letter advising that a design would be completed within 6 weeks was not sent to the Complainant until 29 October 2004. A total of 31 business days passed before Aurora even acknowledged receipt of the EWR and progressed the design process.

Although there is no legislative requirement upon Aurora Energy to ensure that a request for design is acted upon promptly, best practice would dictate that a whole month's delay is unacceptable.

Loss of Electricity Working Requests (EWRs)

Complaint Number 0407012 (reported on in Awards)

Aurora admitted to losing the electrical contractor's EWR, requiring the contractor to provide another copy of the document to Aurora.

Complaint Number 0409035 (reported on in Awards)

Aurora admitted to failing to act upon an EWR that it had received and date stamped. The EWR had been received on 3 August, date stamped and was 'in the system' but no further action had been taken by Aurora Energy. It was only a telephone call to Aurora from the electrical contractor which alerted Aurora and progressed action on the EWR.

Scheduling and Prioritising problems

Complaint Number 0407012 (reported on in Awards)

Aurora rescheduled the connection four times. Three of these were necessary because of Aurora Energy's workload and lack of operational resources.

During the investigation, it was found that there was no process in place to prioritise the rescheduling of connections when the scheduled date was unable to be met, meaning that it was often another ten days to the new rescheduled date.

Complaint Number 0409001

This case also involved Aurora Energy rescheduling the work. In this case, Aurora Energy advised the Ombudsman on 22 September 2004 the following:

"The process for follow up when particular service connection projects are delayed, and need rescheduling, is being reviewed with particular emphasis on making sure that correct follow up is carried out in a timely manner and ensuring that the customer is aware of any delays."

However, in this reporting year, complaint history would indicate that where there is need to reschedule a connection, Aurora has not advised the customer of this.

Problems with keeping customers advised

Complaint Number 0409023

In this case, the scheduled date for the completion of the work was 24 August. The work was actually completed on 6 October. No advice was provided to the Complainant about the changed scheduling and from August to October, it was the Complainant who contacted Aurora for progress reports, rather than the other way around.

Complaint Number 0411030

The Complainant was advised of a scheduled connection date of 26 November 2004. The scheduled connection did not go ahead. The Complainant was not contacted by Aurora Energy with either an explanation, apology or a rescheduled connection date.

Complaint Number 0412001

In the investigation of this matter, Aurora responded to the Ombudsman "*The work was scheduled for 29 November. The work was not carried out on 29 November due to work load and subsequent insufficient time to keep the appointment. Aurora did not contact either the customer or the electrical contractor to advise that the connection work could not be completed on 29 November.*"

Further New Supply Complaints

Complaint Number 0504022

Mrs L advised the Ombudsman that their new home was now completed in a new subdivision. She stated that Aurora had put in the poles on the street earlier. However, when her electrical contractor came to make the connection to the pole on the street, he would not do so as he considered the pole to be unsafe as it had not been cemented properly into the ground. Mrs L stated that this had happened seven weeks ago and they had been waiting since then for Aurora to fix the pole. She advised that they were now ready to move into their new home, but despite repeated telephone calls to Aurora to find out when the unsafe pole might be rectified, Aurora was unable to give her a scheduled date.

The Ombudsman contacted Aurora Energy by telephone regarding this complaint, and was advised that the work would be scheduled to take place within one week.

Complaint Number 0506008

Mrs W advised that they were trying to build a new home and were seeking a temporary supply connection for the builders to begin work. She stated that their electrical contractor had put his Electrical Working Request (EWR) in to Aurora on 11 May, but that Aurora had not acted upon it. It was only when she telephoned Aurora on 3 June to find out why nothing had happened, that Aurora found the contractor's paper. She stated that the electrical contractor had submitted his EWR in plenty of time, to avoid any problems and now the builders were due to start on 5 June and Aurora has advised them that the power will not be connected until the 15th.

The Ombudsman contacted Aurora Energy by telephone regarding this complaint, and was advised that the connection would be scheduled for the 10th June.

Complaint Number 0412017

Mr D advised that he had contacted Aurora Energy in September to request a new connection. He stated that he had talked at length to the Call Centre operator and she had given him an indicative quote of \$10,000. He waited, not having an understanding of what was supposed to happen, but three months later he became anxious as the builders would be starting work on his new home very soon. He telephoned Aurora to find out what was happening. He was advised that the operator he had spoken to had been moved to another area and it appeared that she had not actioned his request made in September. The new operator advised that she would progress the matter.

Mr D contacted the Ombudsman as he stated that he did not want to get 'lost in the system' again. The Ombudsman provided Aurora Energy with advice on the complaint on 4 January. Aurora did not provide a response to the Ombudsman until 10 February, one month later.

In its response, Aurora advised that its enquiries revealed that Aurora was at fault for the initial delay and was willing to bear the cost of a generator for the Complainant. Aurora further advised that as the work was contestable, tenders had to be called and then the formal quote prepared and this could now take up to eight weeks.

The Complainant advised that he had to cancel the builders, and had no idea when he would be able to secure their services again. He stated that he was not interested in compensation but merely wanted to progress the connection of his power.

The letter of offer from Aurora Energy was eventually sent to the Complainant on 7 February, some five months after the Complainant's initial request.

COMMENT

On 30 August 2004, Aurora Energy first advised the Ombudsman that a review was being held of its New Supply process. It is to be expected that this review had now been completed. However, as is indicated by the number of complaints this reporting year and the recurring theme of these complaints, there would still appear to be a significant problem.

Adequate and timely responses to complaints by the entity

Under the *Energy Ombudsman Act 1998*, when a complaint is first received the Ombudsman must decide whether the complaint requires investigation. To enable the Ombudsman to do this, the entity is advised of the complaint made against it and asked to provide a response which will assist the Ombudsman to determine whether:

- The complaint lacks substance
- The complaint is frivolous, vexatious or was not made in good faith
- The complainant became aware of the circumstances that gave rise to the complaint more than 2 years before the complaint was made
- The complaint has been resolved
- Court proceedings which relate to the subject matter of the complaint have been commenced
- All the issues arising out of the subject matter of the complaint have been adjudicated upon or otherwise dealt with by the Regulator or the Director of Gas 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.

When the Ombudsman has received a response to the complaint from the entity, the Ombudsman must decide whether any of the above applies. If, in the Ombudsman's opinion, there is any doubt, the complaint must be accepted for investigation.

In light of the above, it is to be understood that the initial response from the entity to the Ombudsman is very important and should contain sufficient information to enable the Ombudsman to make an informed decision as to whether the matter should be investigated.

In some of the responses to the Ombudsman from Aurora's Distribution arm, to complaints that have been made against it, the information provided has not been timely (in some cases taking up to three and four weeks) and has not provided sufficient information to enable the Ombudsman to make an informed decision. The following complaint is one example.

Complaint Number 0503009

The customer initially complained to Aurora on 17 January about the extreme fluctuations in voltage they were experiencing and they were informed by Aurora Energy that the transformer needed upgrading. On 23 March, in frustration, the complainant contacted the Ombudsman, stating that the situation had been very bad for 8 months and even though they were aware a transformer would eventually be installed, what were they to do in the meantime? Their computer was continually switching off, losing all work and programming; the telephone answering machine and phone would switch off at least six times per night, the vacuum cleaner and the microwave were not operating efficiently.

The Ombudsman provided advice of the complaint to Aurora on 24 March requesting a response. The response provided on 7 April advised that the complainant's problems were arising because the transformer needed upgrading and that a design and construction request for this work had been initiated on 24 January 2005. The response contained no further information.

The Ombudsman then received a telephone call from the Complainant who advised that her husband had been so frustrated on the night of 29 March at the ongoing power supply problems that he had contacted Aurora Energy to complain once more. An emergency crew had been sent to their home immediately and the crew identified that a connection was loose on the pole in front of their home. This was replaced there and then and all problems with the power supply ceased from that moment.

The complaint is resolved and the Complainants now have a reliable power supply. However, the resolution appears to have been reached independently of Aurora's internal investigation process. The Call Centre operator who took the call from the Complainant's husband on the night of 29 March was alarmed enough to send a crew immediately to resolve what he believed to be the problem (a loose connection).

Apart from the fact that the complaint had existed since at least January, with a supply problem that had been easily resolved, Aurora's response to the Ombudsman took two weeks and only provided information of which the Ombudsman was already aware.

Adequate recording and follow up of complaints

Complaint Number 0408031

In the Reporting year, I investigated a complaint from the East Coast regarding the reliability of the power supply.

Aurora Energy had given a public forum advising residents of the area that it was aware of the problems that were being experienced and was taking steps to improve the reliability of the supply in the area. It advised residents that it was carrying out some immediate work, but that solutions to the problems would most likely only be rectified in the long term because of the cost involved.

The Complainant contacted the Ombudsman following this community forum. She stated that the constant interruptions to the power supply were not only damaging her electrical and electronic equipment, but were impacting dramatically on her attempts to run a business in a rural area.

At the time the complaint was made, Aurora Energy was outside the limitations of the Tasmanian Electricity Code with regard to the number of outages that were being experienced by the Complainant.

In the investigation of the complaint, the Ombudsman needed to be satisfied that Aurora Energy was using 'reasonable' endeavours to address the supply problems faced by the Complainant. The Ombudsman sought the expertise of a Consultant to assess the data provided by Aurora Energy. As there was some discrepancies between the number of outages reported by the Complainant and those which had been recorded by Aurora Energy, the consultant suggested that the Ombudsman request Aurora Energy to fit a logging device at the Complainant's location to monitor the actual number of outages that were experienced over a three month period.

Aurora advised the Ombudsman on 9 May that "Aurora fitted last week a voltage logger on the power line to to record voltage fluctuations/interruptions in the power supply to the It is expected that the logger will remain in place for approximately three months."

When the Ombudsman contacted Aurora in July for an update on the data collected, Aurora advised "Aurora monitored the supply to during the period 3 May 2005 to 11 May 2005. The logger was installed until the time the logger memory function expired."

Therefore, it is necessary to ask:

1. Why did Aurora advise that it had fitted a logger that would be in place for three months, when this did not actually occur?
2. Why did Aurora wait two months until it was contacted by my office to provide me with the results of the testing?

In correspondence to Aurora Energy of December 2004, I raised the issue of perceived inadequate recording, lack of any co-ordinated response and follow-up of complaints made by customers directly to Aurora's Distribution arm and those complaints made through the Ombudsman to Aurora's Distribution arm. No response was made to my correspondence at that time.

This continues to be of concern and is an issue that needs to be addressed.

CASE STUDIES

Complaint Number 0504013

Mrs A lost the full contents of her freezer during an outage caused by storms in February 2005. Mrs A states that when the power went off she telephoned Aurora to find out when it was likely to be restored because, if it were to be for a long period, she could remove the contents of her freezer to her parents' home in the city. She stated that she rang on a number of occasions through that evening and during the next day and on each occasion she was advised that the power would be restored within two hours. She also stated that she spoke to the Call Centre operators, and was assured that the information provided on the recorded messages was up to date and correct.

Aurora Energy had claimed no liability as the loss had been caused by events outside its control.

However, as the complaint specifically concerned the information provided to the Complainant rather than the event itself, the Ombudsman sought further information from Aurora Energy about its recorded messages during the period.

The outage occurred on 2 February at 8.58 pm and the message had been updated six times over that evening and the next day. None of the times recorded on the messages had been correct as power was not restored until the 4th of February. Aurora stated that it could only provide an expected restoration time. However, the Ombudsman believed that as it was a service to customers, the times provided should be within a reasonably expected time frame, otherwise there was no point to the service.

The Ombudsman believed that it was reasonable to support the Complainant's claim that she had not taken steps to remove the contents of her freezer, as she had relied upon the advice provided by Aurora Energy. Had Aurora Energy advised that it was unable to provide an expected time of restoration, the Complainant could have taken appropriate action. Aurora Energy agreed to pay the Complainant's claim for \$538.72 for loss of the freezer's content.

Complaint Number 0408029

Mrs C contacted the Ombudsman extremely frustrated. She stated that she had been complaining to Aurora about the quality of her electricity supply for the last 18 months to no avail. She stated that in the winter evenings her heater would hardly work at all and the lights would dim so that she could hardly see. Mrs C said that she was unable to use more than two appliances at the one time, as the fuse would short. She also stated that her supply used to be okay prior to the arrival of several businesses in the area.

Aurora advised the Ombudsman that it had carried out voltage measurement tests at the Complainant's home and that the voltage was within standard.

The Ombudsman had some concerns and sought the assistance of an expert to provide advice on Aurora's voltage measurements, to carry out an investigation on site and to provide independent testing of the Complainant's voltage levels.

The independent expert advised that the electrical installation in the house had not been upgraded since its original installation and it did not match the installation's maximum demand. Blow-in insulation had been installed in the roof space, meaning that if the cable were surrounded by thermal insulation, this would also reduce its current rating. The voltage measurements taken indicated a considerable voltage drop in this mains cable and while it did not allow determination of the cable size, it was probable that it had been installed to match the current switchboard capacity. He recommended that the Complainant may wish to obtain the services of an electrical contractor to upgrade the installation with additional sub circuit cabling; to upgrade the main switchboard to a circuit breaker switchboard due to age and recent overheating failure of the fuse holder; and to upgrade the mains cable. The Complainant was advised of this.

Aurora Energy advised that the Complainant was some 380 meters from the transformer and that it was currently considering options to consolidate the supply conditions for the Complainant and that it was expected this work would be completed by winter 2005 to avert any possible reduction of power supply conditions during the heavily loaded winter period.

Complaint Number 0410017

Mr and Mrs P contacted the Ombudsman because they had received a disconnection notice. They explained that when they returned to Tasmania in 2002 after a time on the mainland, they approached Aurora Energy for an electricity connection. They were informed that they would not receive an electricity connection unless they agreed to make arrangements for prior outstanding debt in the amount of \$2,000 from 1991 and 1995. The Complainants stated that they had really struggled to meet the number of payment plans that had been arranged over the ensuing years and that despite the payment plans, the debt never appeared to grow any smaller. They stated that they had been disconnected several times and that they could not continue to meet the payments requested of them by Aurora.

The Ombudsman asked for the full credit history of Mr and Mrs P which indicated that they had made a consistent effort to meet the terms of the payment plans. The Complainants were quite high consumers of electricity, and it was obvious that paying for the ongoing consumption as well as the debt was proving an extremely difficult task.

The Ombudsman recommended that, as the debt was outside the period of Limitations and Aurora had not at any time sought a court judgment to extend the period, Aurora should waive the outstanding amount of \$2,000 allowing the Complainants to meet only the cost of the ongoing electricity consumption. Aurora Energy agreed to this.

Complaint Number 0407005

Mr M approached the Ombudsman and explained that he had been provided with accommodation by Housing Tasmania which was managed by a Mental Health organisation, but when he moved in, there were faults in the electrical wiring and most of the lights in the house did not work. He arranged to move out almost immediately and had the electricity disconnected. Mr M was a disability pensioner and a Welfare Agency, which was unable to assist him financially, telephoned Aurora on his behalf to request that the disconnection fee be waived. Aurora refused.

The Ombudsman approached Aurora Energy and once aware of the situation, Aurora agreed to waive the connection fee.

Note: A complaint of this nature should not reach the Ombudsman. The matter once brought to the attention of senior management was quickly resolved. In the past, the Ombudsman has recommended that Aurora have a dedicated person/telephone number to whom the Ombudsman may refer complainants such as this. Aurora has declined, stating that it already has a Customer Feedback Number. However, in this case the Complainant had 'done the rounds' of the Call Centre and even with the assistance of a Welfare Agency, had been unable to obtain a resolution.

Complaint Number 0408014

Mr P complained to the Ombudsman about his winter electricity account of \$404.00. Mr P stated that he was a pensioner, living in a very small unit. Mr P said that he had recently been in hospital for 14 weeks and was now in remission, spending most of his time in bed in the main room with one small heater only used very occasionally. He believed the amount of the bill to be incorrect.

The Ombudsman considered the accounts rendered to the Complainant over the period of time he had been in the dwelling and found nothing to indicate any possible problem. The Complainant had only one meter which recorded both light and power and hot water. A site visit was conducted by the Ombudsman's office in conjunction with an Energy Consultant. The Consultant carried out some meter readings with the varying electrical equipment in the unit turned on or off. This indicated that the meter readings were consistent and correct. Mr P was extremely helpful in providing access to all his equipment at his unit, but nothing was found to indicate any possible problem. As Mr P advised that he was leaving the State for several weeks to stay with friends, it was determined that the Consultant would carry out a number of readings of his meter over the next few weeks both when he was at home and away. If the metered consumption dropped dramatically when Mr P was away from home, this would confirm that the meter was recording correctly and that the increased consumption over the winter period must have been due to increased usage of the small heater over what was considered a long, cold winter.

The readings were taken weekly over the month of September and the Complainant's daily average was 12.3; 15.2; 18.0; and in the week of absence from home dropped to 0.8.

The Complainant was advised and the complaint was dismissed as unsubstantiated.

Complaint Number 0506019

Mrs R stated that in response to a letter from Aurora requesting that she provide better access to her meters she provided Aurora with a signed agreement in October 2004 to have remote reading meters installed at her property. She stated that she had been ringing to find out the reason for the delay and eventually discovered that the agreement she signed had never been actioned. Further, despite the fact that she had taken action on this some eight months ago, she had continued to receive letters from Aurora requesting that she provide access. She stated that she was appalled at the customer service and wanted to see an improvement.

The Ombudsman contacted Aurora, and Aurora offered to meet the costs of the installation of the meters, provide a Customer Charter payment of \$30.00 and an apology to the Complainant.

ENERGY OMBUDSMAN LAUNCH

On Monday 27 June 2005 the Hon Judy Jackson launched the new jurisdiction confirming the Government's commitment to giving energy consumers an effective alternative to the courts for the resolution of energy related disputes. The Victorian Energy and Water Ombudsman, Fiona McLeod and the Western Australian Gas Industry Ombudsman, Deidre O'Donnell, also attended the launch and offered their support for the expanded Tasmanian energy jurisdiction and spoke briefly about the work of the Ombudsman in their own jurisdictions.

The launch was the culmination of almost twelve months work to move from the electricity jurisdiction to the broader energy jurisdiction that allows the Energy Ombudsman to take complaints related to electricity entities licensed under the *Electricity Supply Industry Act 1995* and gas entities licensed under the *Gas Act 2000*. The Energy Ombudsman jurisdiction, under the *Energy Ombudsman Act 1998*, commenced on 1 January 2005 with gas complaints able to be taken from 1 July 2005.

The energy entities that now fall within the jurisdiction of the Energy Ombudsman are, Hydro Tasmania, Bell Bay Power Station and Woolnorth Wind Farm (electricity generators), Transend Networks (electricity transmission), Aurora Energy (electricity distribution and retail and natural gas retail), Powerco (natural gas distribution) and Option One (natural gas retail).

The distribution and retail of liquefied petroleum bottled gas (LPG) currently does not fall within the ambit of the Energy Ombudsman.

ESTABLISHMENT OF THE ENERGY OMBUDSMAN JURISDICTION

In September 2004 I appointed Morgen Hughes as a Project Officer to oversee the establishment of the Energy Ombudsman jurisdiction.

Morgen was responsible for managing the transition from the Electricity jurisdiction to the Energy jurisdiction, requiring liaison with key stakeholders including Energy Entities, Energy Industry Ombudsman from other jurisdictions and the Office of the Tasmanian Energy Regulator.

The direction and understanding, of what was needed to successfully negotiate the transition from the Electricity jurisdiction to the Energy jurisdiction, was articulated through the document, *Benchmarks for the Energy Ombudsman*.

Morgen was required to analyse the potential needs of the Energy jurisdiction (which practice, protocols and procedures are founded and informed by the Electricity jurisdiction) in terms of the National "*Benchmarks for Industry-based Customer Dispute Resolution Schemes*" (Benchmarks), which were released by the Hon Chris Ellison, Minister for Customs and Consumer Affairs in 1998. This document has been used as an auditing tool for the transitional Electricity jurisdiction, and also as a planning document for the emergent Energy jurisdiction.

In conjunction with the Business Manager, Nigel Robertson, Morgen researched, developed and published in the Tasmanian Government Gazette a revised economic model and guidelines for the Energy Ombudsman. In addition, and with staff consultation, a draft Energy Ombudsman business plan was produced for the next financial year (2005/2006). The business plan outlines the various challenges to be faced by the jurisdiction, including the commencement of energy retail contestability, Tasmania's entry to the NEM and makes recommendations in relation to managing those challenges.

Morgen provided numerous recommendations to me in relation to the development of the Energy jurisdiction. This related to the development of clear plans and timeframes, recommendations and strategies, daily management of the various projects and liaison, outcome realisation and finally, project evaluation upon the completion of the project.

Finally, as the project officer for the Office of the Energy Ombudsman, Morgen was responsible for both the development and the interpretation of State Government policy and legislation specific to the Energy jurisdiction.

COMMUNITY OUTREACH

Radio Advertising

Statistics for the last reporting year identified very few complaints from the East Coast of Tasmania. To ensure that this was not because the general public was not aware of the services of the Ombudsman, in September I arranged for a three-month advertising campaign through the radio station, Break O'Day FM. This was quite successful and resulted in an increase of contacts from residents on the East Coast.

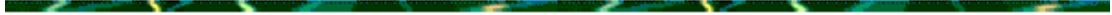
Agfest

The Energy Ombudsman unit staffed a stall at this year's Agfest to ensure that the general public were made aware of the new Energy Ombudsman jurisdiction. A new Energy brochure detailing the services of the Energy Ombudsman, some promotional material in the form of recyclable bags, pens, fridge magnets and stickers, all with the Energy Ombudsman's contact details were provided to patrons of Agfest. There was a great deal of interest from the community, with staff having the opportunity to answer many queries and provide information on the newly expanded role of the Energy Ombudsman.

ENERGY OMBUDSMAN BUDGET AS AT 30 JUNE 2005

	2002-2003 Actual Expenditure	2003-2004 Actual Expenditure	2004-2005 Actual Expenditure
Employee Related			
Salaries & Wages	\$ 200,564	\$ 200,822	\$ 187,135
Superannuation	\$ 22,120	\$ 22,310	\$ 18,035
Other Employee Related Expenses	\$ 2,273	\$ 1,781	\$ 4,183
Total Employee Related	\$224,958	\$224,913	\$209,353
Fuel, Light & Power			
Total Fuel, Light & Power	\$ 2,608	\$ 2,506	\$ 2,126
Administration			
Advertising & Recruitment	\$ 1,499	\$ 2,474	\$ 10,884
Rental	\$ 45,450	\$ 44,370	\$ 46,128
Communications	\$ 6,323	\$ 6,002	\$ 7,583
Travel	\$ 5,693	\$ 4,528	\$ 10,398
Consultancies	\$ 7,751	\$ 5,776	\$ 5,356
Operating Leases	\$ 11,435	\$ 13,102	\$ 11,161
Printing & Stationery	\$ 5,399	\$ 5,429	\$ 7,652
Other Admin Exp	\$ 929	\$ 4,736	\$ 5,431
Total Administration Expenses	\$ 84,479	\$ 86,417	\$104,593
Other Expenses			
Repairs & Maintenance	\$ 356	\$ 85	\$ 276
Equipment - minor	\$ 1,122	\$ 6,184	\$ 5,910
Computers / IT minor purchase	\$ 10,019	\$ 9,500	\$ 2,800
Other Expenses	\$ 1,358	\$ 10,105 **	\$ 2,896
Total Other Expenses	\$ 12,855	\$ 25,874	\$ 11,882
TOTAL OPERATING EXPENSES	\$ 99,942	\$114,797	\$118,601
TOTAL EXPENSES	\$324,900	\$339,710	\$328,134

Note: ** Contribution to Office fit-out (2003/04)



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

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