



ENERGY & WATER  
OMBUDSMAN SA

GPO Box 2947  
Adelaide SA 5001

T 1800 665 565  
F 1800 665 165

ABN 11 089 791 604

[ewosa.com.au](http://ewosa.com.au)

Mr Warwick Anderson  
General Manager  
Australian Energy Regulator  
GPO Box 520  
Melbourne VIC 3001

Submitted electronically [SAPN@aer.gov.au](mailto:SAPN@aer.gov.au)

8 January 2020

Dear Mr Anderson,

**Submission to the Australian Energy Regulator's ("the AER") Consultation on the AER Draft Decision ("AER Draft") and SA Power Networks' Revised Proposal ("SAPN Revised Proposal")**

The Energy and Water Ombudsman (SA) Limited ("EWOSA") welcomes the opportunity to comment on the AER Draft and SAPN Revised Proposal.

EWOSA is an independent Energy and Water Ombudsman Scheme in South Australia. It receives, investigates and facilitates the resolution of complaints by customers with regard to (*inter alia*) the connection, supply or sale of electricity, gas or water.

## Background

The AER released its draft decision on SAPN's electricity distribution determination for the 2020-25 regulatory control period on 8 October 2019. The draft decision allows SAPN to recover \$3905.3 million from its customers for the 2020-25 period. This is \$309.2 million less than the \$4214.5 million SAPN proposed.

In the AER Draft, the AER has reported that the biggest contributor to the difference between the draft decision revenue and that proposed by SAPN is the current rate of return. The AER also stated that SAPN had not sufficiently justified the prudence or efficiency of its proposed level of forecast capex. The AER substituted capex forecast is \$473 million lower than the proposal. The AER also forecast opex 5% lower than the SAPN forecast.

The SAPN Revised Proposal proposes a revenue allowance of \$3916 million. The capex forecast is close to the original proposal at \$1712 million and forecast opex is \$88 million lower than proposed.

## Submissions

EWOSA receives complaints and disputes between consumers of electricity, gas and water services and members of the scheme. SA Power Networks (“SAPN”) is a member of EWOSA.

Over the 2018-19 financial year, EWOSA received complaints relating to SAPN in the following broad categories:

Category of complaint
Billing
General Enquiry
Supply Quality
Land
Provision
Customer Service
Sales & Marketing

**Table 1: Complaints received by EWOSA related to SAPN for 2018-19 financial year**

A breakdown of the categories is provided in Appendix A.

## Community Engagement

SAPN has undertaken a very extensive engagement program and is to be commended for its efforts in this regard. EWOSA understands that SAPN is keen to continue high level community engagement beyond the revenue determination process and we support this direction.

## Capital expenditure

### *Asset replacement*

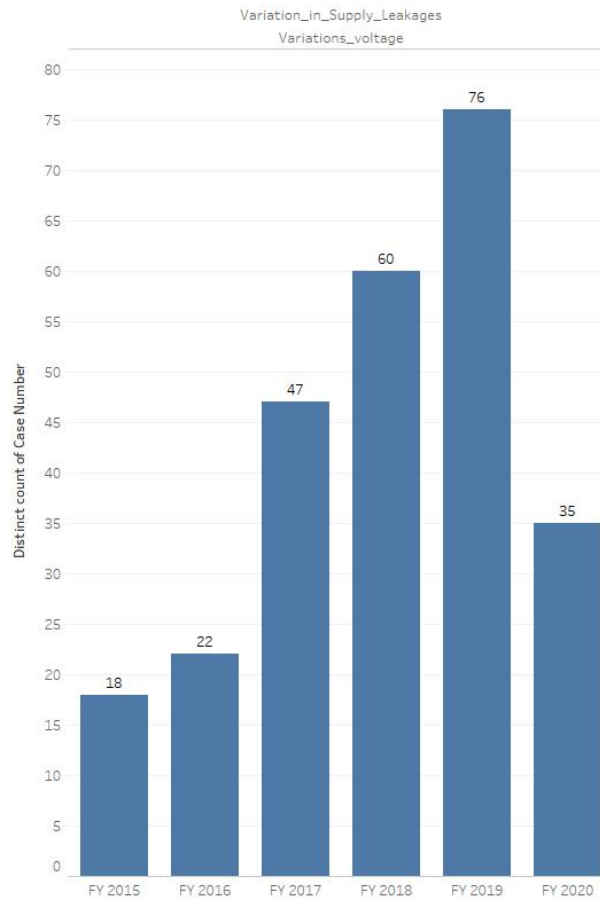
EWOSA notes that the AER has stated that SAPN had not sufficiently justified the prudence or efficiency of its proposed level of forecast capex in its regulatory business proposal. We note that such justification involves detailed economic modelling which is beyond the scope of EWOSA’s remit. However, EWOSA is concerned about the future need for replacement expenditure and does not want to see future generations overexposed to replacement costs, some of which could be borne in the upcoming regulatory period.

### *Low reliability feeders*

EWOSA is concerned about low levels of reliability for the worst-served customers and supports efficient measures to improve this.

### *Voltage regulation*

A notable issue is the number of complaints EWOSA receives about voltage regulation. The figure below indicates the increasing number of complaints we receive on this issue.



**Figure 1: Complaints received by EWOSA about voltage variations from FY2014-15 to current FY**

Customers who have purchased solar systems are increasingly finding that their capacity to export is disrupted. EWOSA supports efficient measures to better manage voltage issues arising from increased DER on the network.

Thank you for consideration of this submission. Should you require further information or have any enquiries in relation to this submission, please contact Jo De Silva via [REDACTED] or phone [REDACTED].

Yours sincerely,

[REDACTED]

Jo De Silva  
Policy and Communications Lead  
Energy and Water Ombudsman SA

## Appendix A

### Complaints received by EWOSA related to SAPN for 2018-19 financial year

<b>Category of complaint</b>	<b>Number of cases</b>
Billing	51
General Enquiry	68
Supply Quality	173
Land	107
Provision	127
Customer Service	28
Sales & Marketing	2
<b>TOTAL</b>	<b>556</b>

**Cases received by EWOSA relating to SAPN 1 July 2018 to 30 June 2019**

			FY 2019	FY 2019	FY 2019	FY 2019
			Q1	Q2	Q3	Q4
Billing	Account	Statements			1	
Billing	Billing Process	Cross Metering Wrong Meter				1
Billing	Billing Process	Inaccurate Estimate	1			
Billing	Billing Process	Incorrect bill following fix of fault	1	1	1	1
Billing	Fees and Charges	Disconnection Fee		2		
Billing	Fees and Charges	Other Fees		1	2	2
Billing	High	Feed in Tariff Incorrect	2	3	7	7
Billing	High	Unexplained Usage		1	1	2
Billing	Payment	Lost Payment		1		
Billing	Payment	Payment Historical Mapping				1
Billing	Tariff billing	Demand Tariff			1	
Billing	Tariff billing	Incorrect Tariff	1		1	4
Billing	Tariff billing	Information / Conditions	1		3	
Billing	Tariff billing	Rate Increase				1
Billing	Total	Total	6	9	17	19
Customer_Service	Staff Behaviour	Concern not escalated		1		
Customer_Service	Staff Behaviour	FailureDelay in Response	2	3		
Customer_Service	Staff Behaviour	Information Incorrect Not Provided	2	1	1	1
Customer_Service	Staff Behaviour	Poor Behaviour By Individual				4
Customer_Service	Staff Behaviour	Staff Behaviour Historical Mapping	3	6	3	1
Customer_Service	Total	Total	7	11	4	6
General_Enquiry	Information general	Compliment to EWOSA Staff	1			
General_Enquiry	Information general	Contacted EWOSA In Error				2
General_Enquiry	Information general	Information Provided	12	6	5	3

General_Enquiry	Information general	Ombudsman	1			
General_Enquiry	Information general	Regulatory or Industry Info	4	3	4	4
General_Enquiry	Out of Jurisdiction	Appliances or Internal Wiring			1	
General_Enquiry	Out of Jurisdiction	Capital Contribution Enquiry	5		2	2
General_Enquiry	Out of Jurisdiction	Legal Advice or Civil Dispute		1	2	
General_Enquiry	Out of Jurisdiction	Other Ombudsman			1	
General_Enquiry	Out of Jurisdiction	Other OOJ	1	1		
General_Enquiry	Out of Jurisdiction	Pricing Enquiry			1	
General_Enquiry	Out of Jurisdiction	Solar Installers	2		2	2
General_Enquiry	Total	Total	26	11	18	13
Land	Damage Land	Delay in Repair	1			
Land	Damage Land	Property	3	1	2	4
Land	Damage Land	Reimbursement Claim	5	3	11	24
Land	Land Other	Easement Issues			1	
Land	Land Other	Meter Placement Access	1			
Land	Land Other	Tree trimming/clearing	2		2	1
Land	Network Infrastructure	Cost of Infrastructure	3	2	4	3
Land	Network Infrastructure	Maintenance	5	6	6	1
Land	Network Infrastructure	Placement of Infrastructure	2	1	1	
Land	Network Infrastructure	Safety of Infrastructure	1	1	1	2
Land	Network Infrastructure	Visual Noise Pollution	1		1	5
Land	Total	Total	24	14	29	40
Provision	Connection	Delay in Connection	3	1	6	2
Provision	Connection	Other Connection Issue	1	1	1	2
Provision	Disconnection	Delay in Disconnection		1	1	
Provision	Disconnection	Disconnection Error	4	3		
Provision	Disconnection	Supply / defect	2			
Provision	Meter Installation Abolishment	Delay In Abolishment	2	3	3	1
Provision	Meter Installation Abolishment	Faulty Meter Replacement Delay	1		1	1

Provision	Meter Installation Abolishment	New Connection Delay	2	7	4	2
Provision	Meter Installation Abolishment	Nonattendance At Agreed Appointment Time	1			
Provision	Meter Installation Abolishment	Other Meter Upgrade Delay	1			
Provision	Meter Installation Abolishment	Other Metering Installation Complaints	4	4	1	2
Provision	Meter Installation Abolishment	Solar Meter Upgrade Delay	3	4	8	1
Provision	Meter Tests and Reads	Delay In Meter Test		2	1	
Provision	Meter Tests and Reads	Inaccurate Read		3	2	
Provision	Meter Tests and Reads	Meter Tests And Reads Historical Mapping	2		2	
Provision	Meter Tests and Reads	No Or Delayed Meter Read	2	3	4	1
Provision	SEG Approval	SEG Approval	2	3	5	5
Provision	Street Lighting	Street Lighting	1	2	2	1
Provision	Total	Total	31	37	41	18
Sales_Marketing	Contract	Contract Historical Mapping	1			
Sales_Marketing	Transfer	Delay in Transfer				1
Sales_Marketing	Total	Total	1			1
Supply_Quality	Outages	Duration of Unplanned Outage	18	20	15	6
Supply_Quality	Outages	Duration Frequency of Planned Outage		2	2	8
Supply_Quality	Outages	Frequency of Unplanned Outage	1	1	1	5
Supply_Quality	Outages	GSL Rebate		3	2	2
Supply_Quality	Outages	Notice Of Planned Outage	2	3	2	4
Supply_Quality	Variation in Supply Leakages	Variations in Voltage	18	18	21	19
Supply_Quality	Total	Total	39	47	43	44
Grand Total	Total	Total	134	129	152	141