



GAS DISTRIBUTION SERVICE QUALITY
ANNUAL REPORT
JULY 2005 TO JUNE 2006

ALLGAS ENERGY PTY LTD

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Introduction

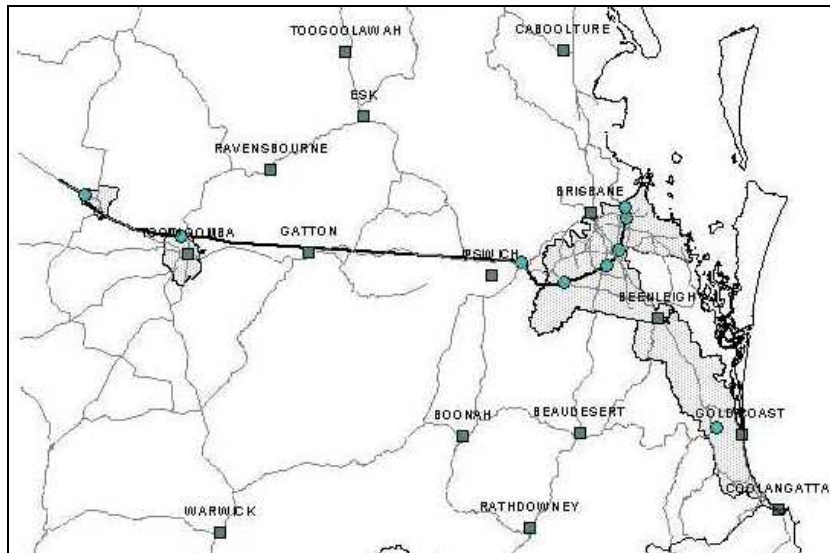
This is Allgas Energy Pty Ltd's Annual Report on gas distribution service quality to the Queensland Competition Authority (QCA) as required under the QCA's *Gas Distribution: Monitoring Service Quality Decision 2003*.

About Allgas Energy Pty Ltd's gas distribution network

This report provides information on the quality of the gas services provided by Allgas' natural gas distribution network during the period from 1 July 2005 to 30 June 2006.

Allgas supplies natural gas through a network of over 2,408 kilometres of distribution mains to more than 66,500 residential, commercial, and industrial customers.

Map of Allgas Energy Pty Ltd's gas distribution network



Allgas' supply area is made up of Brisbane (south of the Brisbane River), the Gold Coast (including small parts of northern New South Wales), Oakey, and Toowoomba.

Allgas has been committed to the progressive upgrading of the older parts of the distribution network through the network renewal program. Allgas plans to renew over 400 kilometres of mains by 2012 including Toowoomba, Kangaroo Point, East Brisbane, Coorparoo, South Brisbane, Highgate Hill, Woolloongabba, Balmoral, Morningside, Camp Hill, Greenslopes, Mansfield, Mt Gravatt, Holland Park, Moorooka, Tarragindi, Yeronga, and Yeerongpilly.

In addition, Allgas is engaging in a major expansion of the network in the Gold Coast region to meet new demand.

Measuring Allgas Energy Pty Ltd's distribution network performance

This report focuses on the quality of Allgas Energy Pty Ltd's performance in two areas:

- *reliability of supply* (how often gas supply is interrupted, and for how long); and
- *customer service* (for example, response times to emergencies, number of complaints, and time taken to connect new customers or reconnect existing connections).

These measures are described further below. In addition, there are explanatory notes attached to the tables that describe the more complex measures in detail, and discuss how Allgas records and reports the measures.

Reliability of supply

A key measure of the quality of Allgas' performance is the reliability of its supply to customers.

This report provides statistics on planned and unplanned interruptions.

In general, it is quite rare for gas supply to be interrupted. This is because Allgas (like other gas networks) operates an underground gas distribution network. However, interruptions can occur, from causes such as: third parties accidentally digging into the underground network (known as third party dig-ins), water entering the network, low pressure associated with older networks, and failure of pipes and fittings.

Allgas is taking a range of measures to minimise these causes of interruptions. For example, a wide range of measures are being taken to reduce third party dig-ins:

- burying new pipes to specified minimum depths depending on pressure class, type of main or service and location;
- using colour-coded pipes;
- burying warning tape 300 to 400 mm above new pipes laid in trenches;
- placing above-ground markers over pipes;
- educating the community through dial-before-you-dig programs; and
- conducting regular patrols over high-pressure steel pipes to check if anyone is digging near them.

Allgas is also addressing the problem of water entering pipelines through the network renewal program described above. In addition, location and repair of material failure is facilitated by a rigorous network leakage survey program.

Customer service

Allgas is committed to good quality customer service. This report provides information on actionable calls from customers, complaints, response times to emergencies, and the time taken for new connections and reconnections:

- *Actionable calls* reflect work orders raised by the asset manager arising from inputs into the Allgas Customer Information System (ACIS) by retailers, end users, and the asset manager relating to: supply investigations; new connections; customer enquiries; low pressure; removal of meters; change of meters; replacement of meters; removal of service; reconnection of service; and relocation of service;
- *Complaints* relate customer expressions of dissatisfaction regarding the operation of the distribution network categorised in four areas: metering; connections/disconnections; reliability; and 'other distribution';
- *Response times to emergencies* capture Allgas' response time from the time a possible emergency is reported until it is investigated and any immediate dangers are dealt with; and
- *On-time connections* reports the time taken to connect new customers, and reconnect customers with existing pipes following prior disconnection.

Summary of Allgas' Performance

As the third annual Service Quality Report to the QCA, Allgas is able to compare the 2005-06 performance against historical performance, as well as provide a higher level analysis of its service quality performance by:

- providing details on unplanned service interruptions which affected more than 5 customers and customer service measures; and
- comparing performance against other gas distribution businesses subject to regulation.

The comparison with other gas distributors is provided for illustrative purposes only and is designed to facilitate discussion and highlight Allgas' service quality performance.

Table 1 – Allgas Service Quality Performance Comparison

Measures	2003-2004	2004-05	2005-06
Number of unplanned outages	2	8	1
Number of customers affected by unplanned interruptions	107	428	94
Average duration of unplanned outages	81 minutes	143 minutes	360 minutes
Number of complaints per 1,000 customers	0.35	0.95	1.50

In Table 1, it can be seen that Allgas Service Quality has improved since 2004-05. Three of the four measures report the best performance for 2005-06 since reporting began. The average duration of unplanned outages is high because there was only one outage, which lasted for 6 hours.

Key performance elements for the 2005-06 financial year in the report include:

Reliability

- During 2005-06 one unplanned outage occurred (see note h for details), which affected 94 customers for 6 hours. This represents a substantial improvement on the eight unplanned outages experienced over 2004-05;
- The total number of customer hours lost due to unplanned outages reduced by 42.8% from the previous financial year, down from 986 to 564 customer hours for 2005-06.

Customer Service

- there were 100 complaints relating to customer service, which included 22 complaints categorised as metering or connection/reconnection issues, 29 reliability issues and 34 complaints defined as other distribution-related issues. This shows an increase (over 2004-05) of 64% in total complaints, a decrease of 22% in connection/reconnection complaints but a 26% increase in other complaints (statistics on reliability complaints were not collected in the previous year); and
- average response times to all emergencies was 26 minutes, while the response time for the slowest 10% and 25% was 48 minutes and 38 respectively, showing an improvement (over 2004-05) in all response times of 16% overall and 47% and 28% respectively for the worst 10% and 25%.

Victorian Comparison It is important to note that the Victorian gas distributors' approach to reporting service quality measures differs from Allgas' approach of reporting to the QCA. In our illustrative comparison, Allgas' performance for 'unplanned interruptions' is compared against the Victorian gas distributors on the most recent reported performance using the System Average Interruption Duration Index (SAIDI) method for unplanned interruptions. Additionally, we have compared our performance on customer complaints per 1,000 customers.

Table 2 compares Allgas service quality measures to the service quality measures of the Victorian gas distributors, namely: Multinet, SP Ausnet and Envestra. These gas distributors provide service quality performance reports as part of their approved access arrangements with the Essential Services Commission (ESC). It is important to note that the Victorian gas distributors' approach to reporting service quality measures differs from Allgas' approach of reporting to the QCA. In our illustrative comparison, Allgas' performance for 'unplanned interruptions' is compared against the Victorian gas distributors on the most recent reported performance using the System Average Interruption Duration Index (SAIDI) method for unplanned interruptions. Additionally, we have compared our performance on customer complaints per 1,000 customers.

Table 2 – Allgas compared to Victorian gas distributors

Service Quality Indicator	Allgas 2005-2006	Victorian Gas Distributors for 2005
Average minutes off supply per customer – unplanned interruptions affecting 5+ customers	0.51 minutes	2.04 minutes
Number of complaints per 1,000	1.5	Minimum c.1.2

customers

Maximum c.2.2

Source: ESC (July 2006) "Gas Distribution Businesses Comparative Performance Report for the Calendar Year 2005".

As highlighted, Allgas' service quality performance compares favourably to the Victorian distributors against the constructed indicators. Allgas expects that this type of comparison along with the creation of a time-series of our performance will demonstrate Allgas' ongoing commitment to delivering high quality services to its customers.

Background Data

Measure	Descriptor	Value
Distribution Network Service Provider	name	Allgas Energy Pty Ltd
First day of reporting period	date	01-7-2005
Last day of reporting period	date	30-06-2006
Supply area ^a	square kilometres	2,030
Distribution customers – total ^b	number	66,547
Distribution customers – small (using less than 10 terajoules per annum) ^c	number	66,435
Distribution customers – large (using 10 or more terajoules per annum)	number	112
Gas Consumption – customers using less than 10 terajoules per annum	terajoules ^c	2,639
Gas Consumption – customers using 10 or more terajoules per annum	terajoules ^c	7,154
Unaccounted for gas ^d	terajoules ^c	316
Length of distribution mains	Kilometres	2,408

^a Reports the overall area within which pipelines are laid. Includes the small part of the distribution network located in NSW (approximately 10 square kilometres).

^b A distribution customer is defined as a point at which gas is supplied from the distribution network and which is identified as a separate account for billing purposes.

^c A terajoule is a standard measure of the heating capacity of gas equivalent to $1 * 10^{12}$ joules.

^d Unaccounted for gas represents the difference between the gas injected into the network and the gas withdrawn from the network, adjusting for any changes in the gas stored in the network over the measurement period.

Reliability of supply

Measure	Descriptor	Value
Planned customer interruptions ^e	hours	0
Planned mains and renewal interruptions ^f	hours	11,880
Meter exchanges ^g	number	865
Number of unplanned outages ^h	number	1
Number of customers affected by unplanned outages ⁱ	number	94
Total number of hours of gas supply lost through unplanned outages ^j	hours	564
Duration of unplanned outages		
Worst 10 per cent	hours:minutes	6:00
Worst 25 per cent	hours:minutes	6:00
Average	hours:minutes	6:00

^e Total number of hours of interruption to supply due to planned outages. Excludes any interruptions due to mains and renewal and exchange or replacement of meters.

^f The total hours of mains and renewal interruptions is based on the number of customers affected by the interruption multiplied by the duration of the interruption as measured in hours. The duration of the mains and renewal interruption was estimated to be 8 hours.

^g Meter exchanges typically take around 10 minutes.

^h Number of unplanned outages affecting 5+ customers. The causes of the unplanned outages are as follows:

1 June 2006 Frank St, Rowland St, Halifax St, Stanley St, Milsom St, Adina St, Bennetts Rd (part), Coorparoo	Loss of Supply to 94 consumers for 6 hours due to operator error during an escape repair at the junction of Frank St and Bennetts Rd, Coorparoo. Emergency crews were despatched to relight the appliances of the affected customers.	94 Customers affected for up to 6 hours
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- i Based on estimate of customers affected by unplanned outages (affecting 5+ customers).
- j Based on time from time of report of outage to restoration of supply for unplanned outages affecting 5+ customers.

Customer service

Measure	Descriptor	Value
Actionable calls ^k	number	22,851
Percentage of actionable calls – internally generated ^l	percentage	14
Complaints – total ^m	number	100
Metering	number	19
Connections/Disconnections	number	18
Reliability	number	29
Other distribution-related	number	34
Compliments ⁿ	number	9
Response times to emergencies ^o		
Average of all response times	minutes	26
Response time for slowest 10 per cent	minutes	48
Response time for slowest 25 per cent	minutes	38

^k Actionable calls estimated based on the work orders raised by the asset manager arising from inputs into ACIS by retailers, end users, and the asset manager relating to: supply investigations; new connections; customer enquiries; low pressure; removal of meters; change of meters; replacement of meters; removal of service; reconnection of service; and relocation of service. ACIS does not have the capability to determine whether the work orders were generated from an internal order or from an external customer request.

^l The percentage of actionable calls generated internally is based on an estimate. The estimate was prepared by the Asset Manager by reviewing a reasonable sized sample of total actionable calls to identify those actionable calls which were internally generated.

- ^m Complaint is defined as a communication from an external customer indicating that requirements or expectations have not been met. Complaints do not include reports of system failures.
- ⁿ Compliment is defined as a communication from an external customer indicating that expectations of service quality have been exceeded.
- ^o Emergencies cover all reports of possible gas leaks. Response time is measured from a time of recording of a report of a possible emergency until emergency site is made safe. 'Made safe' means that any immediate hazard has been eliminated (including staff arrival, danger assessment, and (as necessary) action to cordon off dangerous areas, erect warning signs, and remove ignition sources).

Measure	Descriptor	Value
On-time connections		
Total number of new connections ^p	number	2508
New connections on-time ^q	percentage	95
Total number of reconnections	number	4753
Reconnections on-time ^r	percentage	96
Connection times – new connections ^s		
Slowest 10 per cent	days	121.66
Slowest 25 per cent	days	72.19
Average	days	26.23
Connection times – reconnections ^t		
Slowest 10 per cent	days	2.01
Slowest 25 per cent	days	1.00
Average	days	0.25

- ^p New connections cover situations where a new pipeline connection is laid to a customer's supply point following a request lodged by the customer and where suitable existing gas mains run down the customer's street. The time starts counting from when the customer lodges all necessary paperwork and pays any relevant customer contribution fee.

- ^q Reported by contractor based on number of jobs completed by target date. The percentage reported is against Allgas' internal target for on-time connection of new customers of 10 days after excluding customer-related delays or delays in receipt of dial before you dig information.
- ^r Reconnections cover situations where an existing gas connection to a supply point is restored, eg following a period of vacancy. Reported against Allgas' internal target for on-time reconnection of existing customers of 1 day.
- ^s Reported as the average for new connections, including delays such as customer-related delays or delays in receipt of dial before you dig information. Customer-related delays can be significant, and typically arise where a site is not ready for connection on the target date initially set. Ellipse reports currently have insufficient data to determine and remove customer-related delays.
- ^t A result under 1 for a particular job represents same-day service, while a result of 1 means next business day service.