



ELECTRICITY DISTRIBUTION – SERVICE QUALITY PERFORMANCE FOR THE DECEMBER QUARTER 2008

Introduction

The Authority's *Electricity Distribution: Service Quality Reporting Guidelines* (the Guidelines) require Distribution Network Service Providers (DNSPs) to provide data on service quality measures quarterly and annually. The Guidelines can be obtained from the Authority's website at www.qca.org.au.

The Authority commenced publishing the distributors' reports on its website with the September quarter 2002 reports. In August 2005, the Authority revised its Guidelines to strengthen and facilitate nationally consistent reporting. The distributors commenced reporting against the revised Guidelines for their September quarter 2005 reports.

For the quarterly reports, the Authority provides a brief overview of the measures reported by the distributors. For the annual reports, the Authority provides a more detailed review of the distributors' performance. Reports of the distributors' annual financial and service quality performance are available on the Authority's website.

The service quality measures that the distributors are required to report against fall into three groups:

Reliability measures provide information about interruptions to electricity supply. Interruptions can occur because of problems with generation, transmission or distribution. Distribution interruptions may be planned or unplanned. Unplanned interruptions will at times be due to events that are beyond the control of the distributor, such as severe storms.

Quality of supply measures are intended to indicate problems with the nature of electricity supply, such as low or high voltage levels. These measures are based on customers' reporting symptoms.

Customer service measures provide information about how customers' problems, enquiries and requests for services are handled by the distributor.

A Cautionary Note

The service quality measures collected by the Authority are not intended to allow for performance comparison between distributors. This is because Energex and Ergon Energy operate in very different environments. Energex operates a distribution network that is located in the urban area of South East Queensland whereas Ergon Energy operates a distribution network spread across the remainder of the state. As a result, it is to be expected that the distributors' performance will vary significantly on a number of service quality measures. In addition, a number of measures reported by the distributors are subject to detailed qualifications. In some cases, this relates to the consistency of measures over time. Readers should consult the distributors' reports to ensure correct interpretation of the data.

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1. Reliability Measures

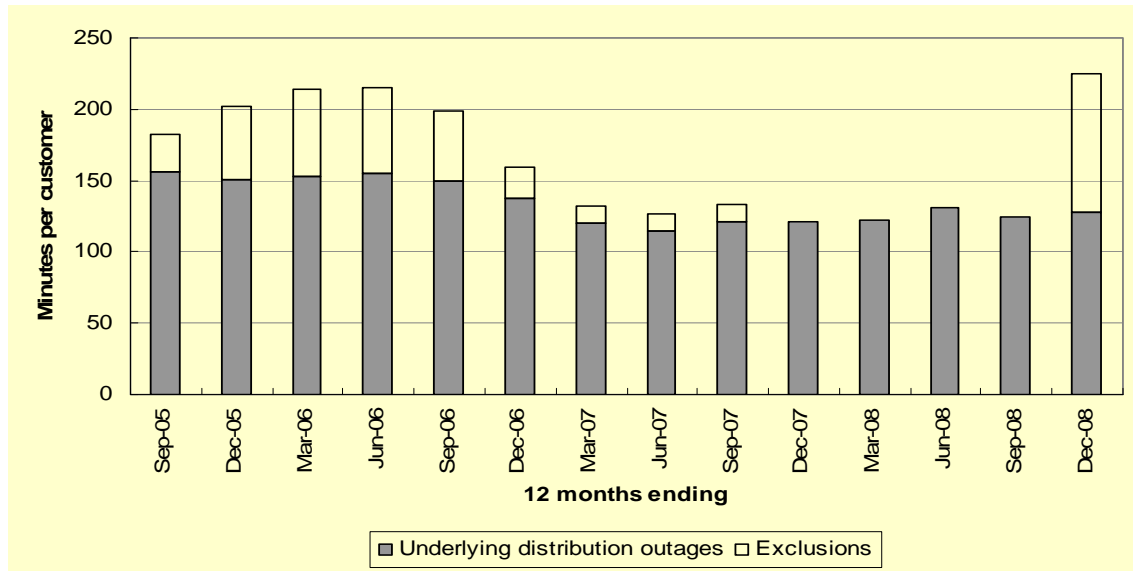
- *Underlying reliability of supply marginally worsened. The total number of reliability of supply complaints more than doubled.*

Quarterly reliability measures are subject to seasonal influences with the December quarter marking the beginning of the storm season. Data comparisons are generally more meaningful when comparing the same quarters in different years or comparing annual data, rather than comparing two consecutive quarters.

For the 12 months ending 31 December 2008, Energex customers experienced an average of 1.7 distribution-related interruptions, leaving them without power for an average of 225.3 minutes. This compares to 1.5 distribution-related interruptions and an average duration of 124.9 minutes in the 12 months ending 30 September 2008.

The underlying distribution-related outages increased marginally from 124.9 minutes in the twelve months ending 30 September 2008 to 128.2 minutes in the twelve months ending 31 December 2008. There was a high level of exclusion events¹ reported in 2008, specifically associated with the occurrence of severe storm events on 16 and 20 November 2008. These events qualified as major event days (MED) (**Figure 1**).

Figure 1: Average duration of outages per customer, annual



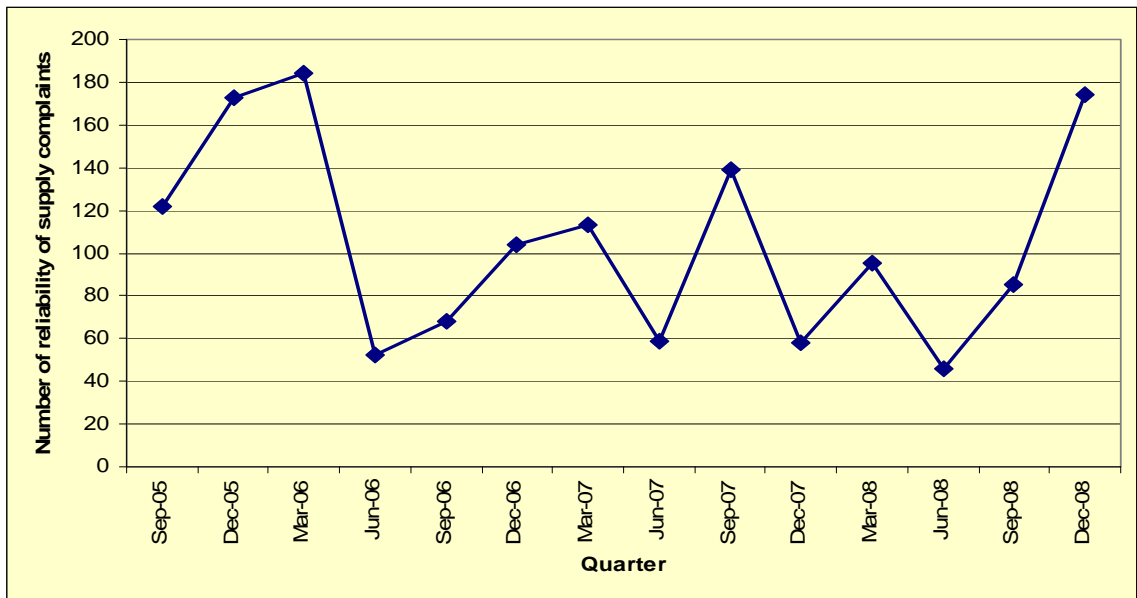
The underlying duration of distribution-related outages (excluding MED) almost doubled, from 24.0 minutes in the September quarter 2008 to 43.6 minutes in the December quarter 2008. Energex attributed the significant deterioration in its reliability performance to the impact of the

¹ Exclusion events (also classified as Major Event Days (MED)) are associated with extraordinary events such as widespread storms, flooding and other natural disasters. These events are determined using the 2.5 beta method, which excludes the reliability data on days when the number of minutes off-supply exceeds a certain threshold based on the distributors' historical reliability data.

severe weather conditions experienced during the quarter². The December quarter 2008 result was also higher than that experienced during the December quarter 2007 of 39.2 minutes.

Figure 2 shows the seasonal pattern associated with reliability complaints over the past 5 years, generally peaking in the storm season quarters of December and March. The number of customer reliability of supply complaints received by Energex increased significantly from 58 complaints in December 2007 to 174 complaints in December 2008. This is the worst result reported since March 2006. Energex attributed the result to the poor weather conditions experienced during the quarter. The severe weather resulted in a significant increase in the number of complaints to Energex associated with power outages.

Figure 2: Total number of customer reliability of supply complaints, quarterly



Note: The number of reliability of supply complaints includes complaints relating to momentary interruptions of supply.

Despite the increase in the number of complaints, the average time taken to resolve reliability of supply complaints improved from 3.2 days in December 2007 to 1.2 days in December 2008. This is the best quarterly result recorded over the last three years. According to Energex, the December 2008 quarter result is considered the more normal of the two.

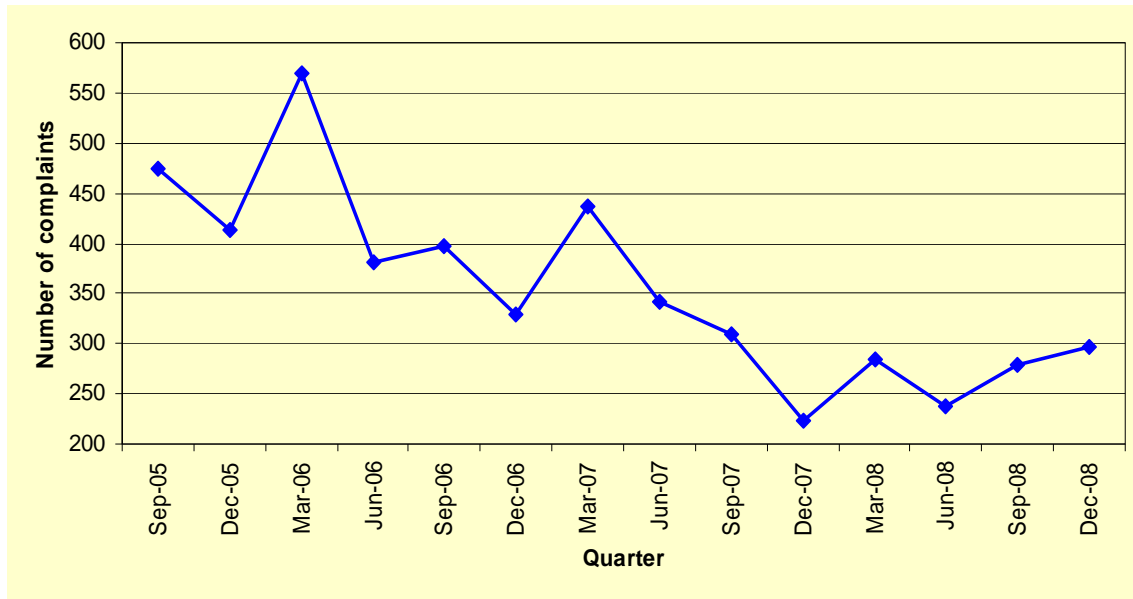
² Major Event Days only exclude extreme weather events (as per the 2.5 beta method). Severe weather events are still included in reliability measures.

2. Quality of Supply Measures

➤ *Performance against a range of quality of supply measures was mixed*

The total number of technical quality of supply complaints continued to increase from 279 complaints in the September quarter 2008 to 296 complaints in the December quarter 2008 (Figure 3). This is the worst result recorded in 2008 and was also higher than the December quarter 2007, when 223 complaints were reported. Energex attributed the increase to an increase in the number of complaints relating to TV or radio interference and low voltage supply.

Figure 3: Total number of technical quality of supply complaints, quarterly



A technical supply fault is a fault where the customers' electricity stays on but fluctuates from the normal level (for example, flickering lights). In normal circumstances, Energex guarantees to investigate and respond to these types of faults within 20 business days. In December 2008, the average time taken to resolve a technical supply fault of 19.5 days fell within Energex's standard target and was below the 21.2 days recorded for September 2008.

3. Customer Service Measures

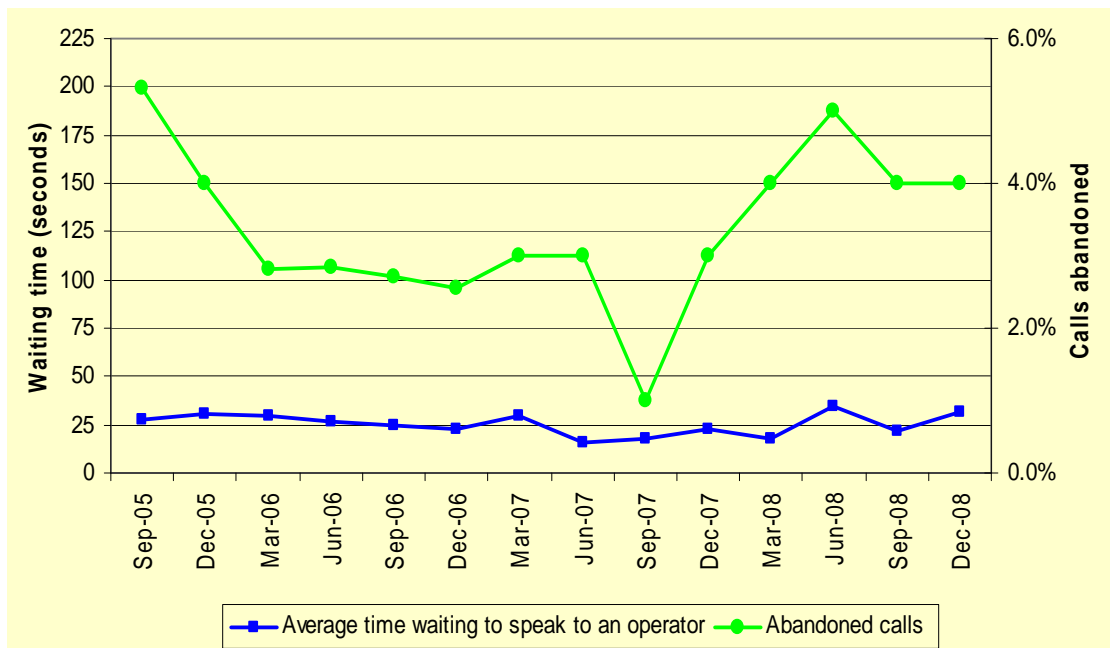
- *Performance against a range of customer service measures was mixed. The number of customer service complaints increased.*

As shown in **Figure 4**, Energex customers had to wait an average of 32 seconds to speak to a call centre operator in the December quarter 2008 compared to 22 seconds reported for the September quarter. Energex attributed the increased delay to increased call centre workload due to external factors, such as:

- Severe storm events (particularly on 16 November 2008 where Energex received 56,334 calls in a single afternoon); and
- A Telstra technical fault (also on 16 November 2008) where in some instances customers had to make several attempts to contact the call centre and endure longer waiting times.

In the December quarter 2008, 4.0% of calls were abandoned, unchanged from the previous quarter.

Figure 4: Waiting time to speak to an operator and abandoned calls, quarterly

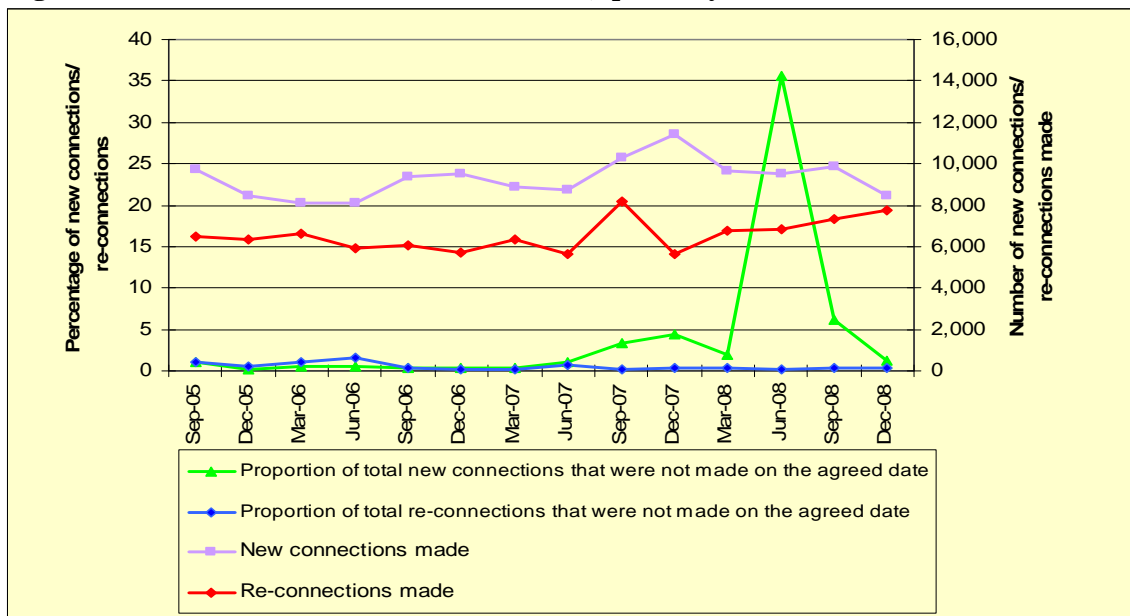


As shown in **Figure 5**, the total number of new connections in the December quarter 2008 declined to 8,436 connections from 9,879 connections made in the September quarter. The total number of re-connections increased marginally from 7,332 in the September quarter 2008 to 7,725 in the December quarter 2008.

The percentage of new connections not made on the agreed date declined significantly, from 6.2% in the September quarter to 1.3% in the December quarter 2008. Energex noted that this improvement reflected the effectiveness of the customer service performance measures that were implemented in the September quarter 2008 with the aim of increasing the resources available to handle new connections. This is the best result achieved in 2008.

In the December quarter 2008, the percentage of re-connections not made on the agreed date remained largely unchanged. This measure has remained low over the past 5 years.

Figure 5: New connections and re-connections, quarterly



Energex advised that, for the December quarter 2008, it had revised the method used to calculate the average time taken to make new connections and re-connections. The revised method provides more accurate data compared with the method used in the previous quarters.

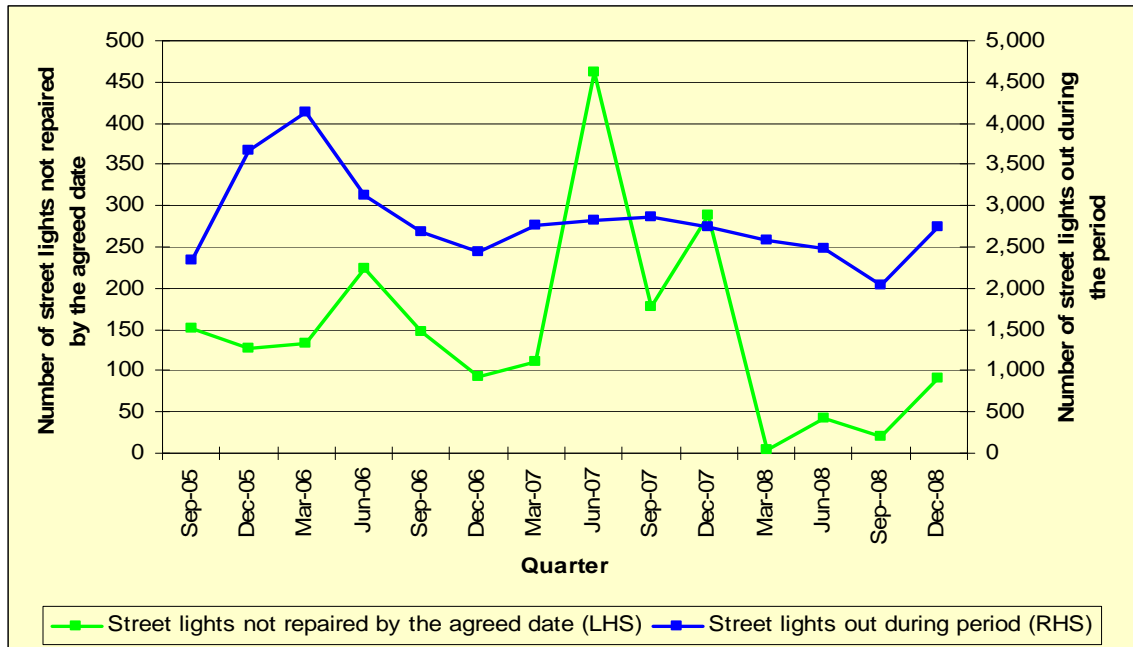
Under the revised method, the reported average time taken to make new connections increased marginally from 4.1 days in the September quarter 2008 to 4.9 days in the December quarter 2008 while the average time taken for re-connections dropped significantly from 4.1 days in the September quarter 2008 to 1.8 days in the December quarter 2008.

In relation to streetlight performance, Energen's customers reported 2,751 faulty streetlights in the December quarter 2008, up from 2,046 in the previous quarter.

Of the total number of faulty streetlights reported in December 2008, 3.3% were not repaired by the agreed date, representing a significant increase from the 1.0% result for the previous quarter (Figure 6).

Energen advised that the increase was mainly due to the effects of severe storms experienced during the quarter and technical problems experienced with the Ellipse program (a program that issues the repair work to the contractor) which affected the overall performance during the quarter. It is understood that Energen is in the process of rectifying this system issue.

Figure 6: Streetlights performance, quarterly

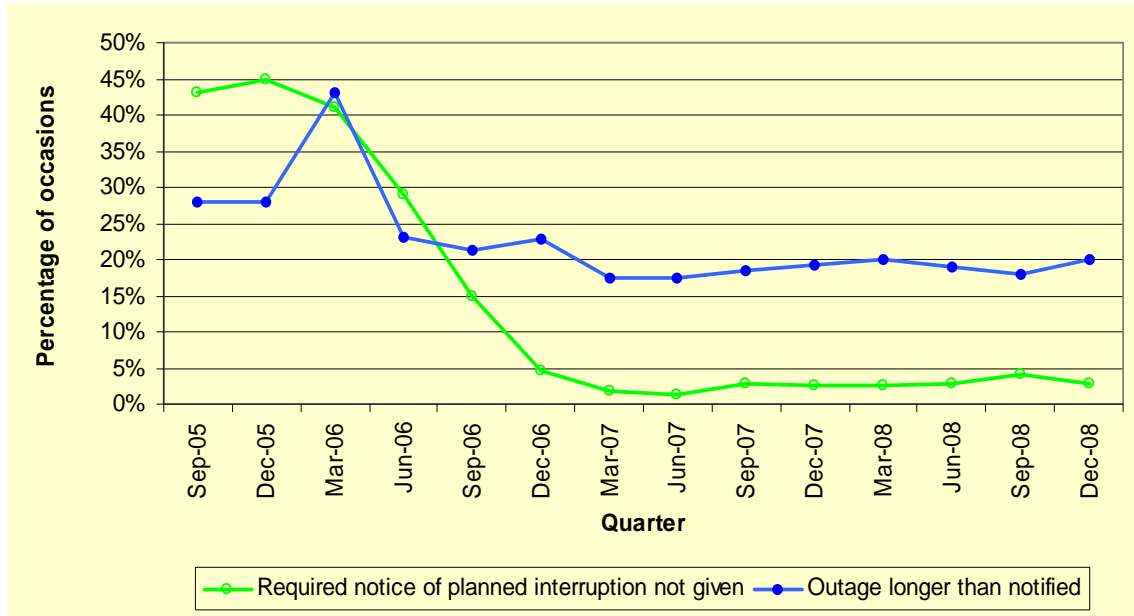


The average time taken to repair faulty streetlights in the December quarter 2008 remained close to its long-term trend of 4 days.

As shown in **Figure 7**, the proportion of occasions where Energex did not provide the required notice of a planned interruption to supply improved significantly from 4.1% in the September quarter 2008 to 2.7% in the December quarter.

However, the proportion of planned interruptions that exceeded the time specified in the notification deteriorated marginally from 17.9% in September 2008 to 19.9% in December 2008. Nevertheless, the result remains close to the long-term trend reported for this measure.

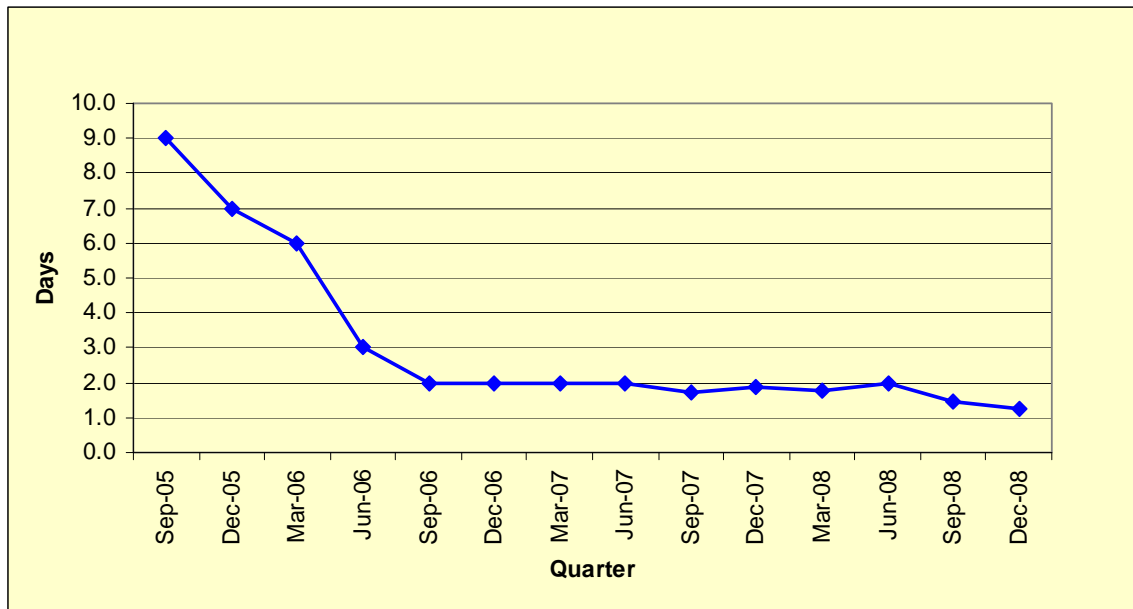
Figure 7: Insufficient notification of planned interruptions, quarterly



The total number of customer service complaints received by Energex increased significantly, from 2,261 complaints in September 2008 to 3,221 complaints in the December quarter 2008. The deterioration was mainly due to the impact of the severe storms causing an increased number of complaints related to meter reading and trees touching lines and power poles. The result was also affected by increased complaints relating to other customer service measures such as staff behaviour and the timeliness of service delivery.

The average time taken to resolve these customer service complaints continued to improve (**Figure 8**), from 1.5 days in the September quarter to 1.3 days in the December quarter. The improvement was a result of shorter times taken to resolve complaints relating to the condition of the worksite, damage to property and trees touching powerlines. This is the best result recorded for this measure.

Figure 8: Average time taken to resolve customer service complaints, quarterly



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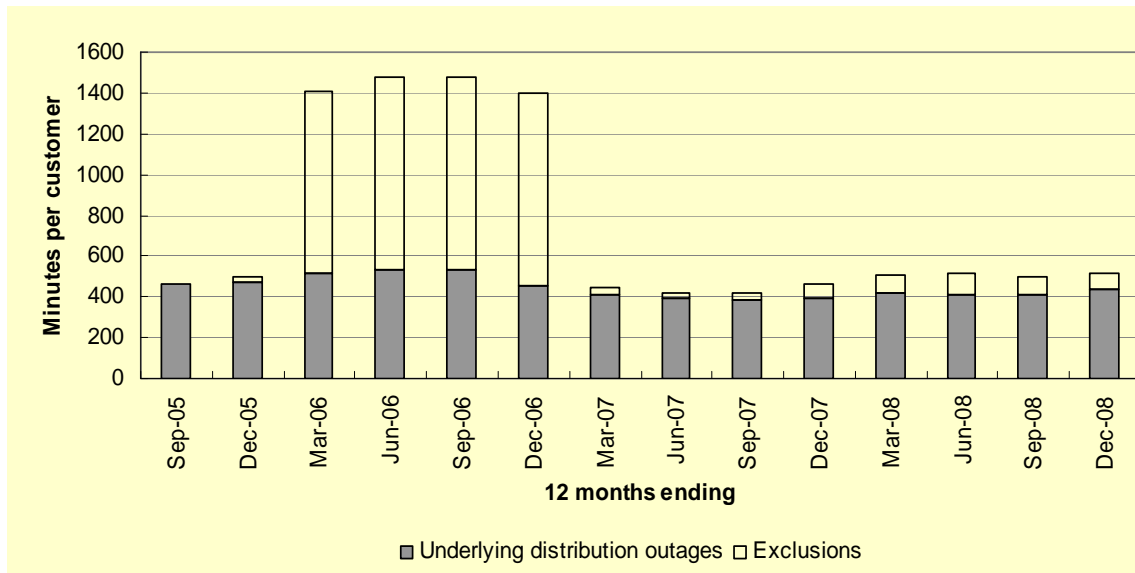
1. Reliability Measures

- *Underlying reliability of supply deteriorated. Moreover, the total number of customer reliability complaints increased significantly.*

In the twelve months ending 31 December 2008, Ergon Energy’s customers experienced an average of 4.1 distribution-related outages, leaving them without power for a total of 511.8 minutes (**Figure 9**). After removing the effect of three exclusion events (see below), the underlying duration of distribution-related outages (shaded) increased from 411.3 minutes in the twelve months ending 30 September 2008 to 435.5 minutes in the twelve months ending 31 December 2008. Some deterioration is to be expected due to the severe weather conditions experienced during the quarter. The high levels of exclusion reported for 2006 were the result of Cyclone Larry in March 2006.

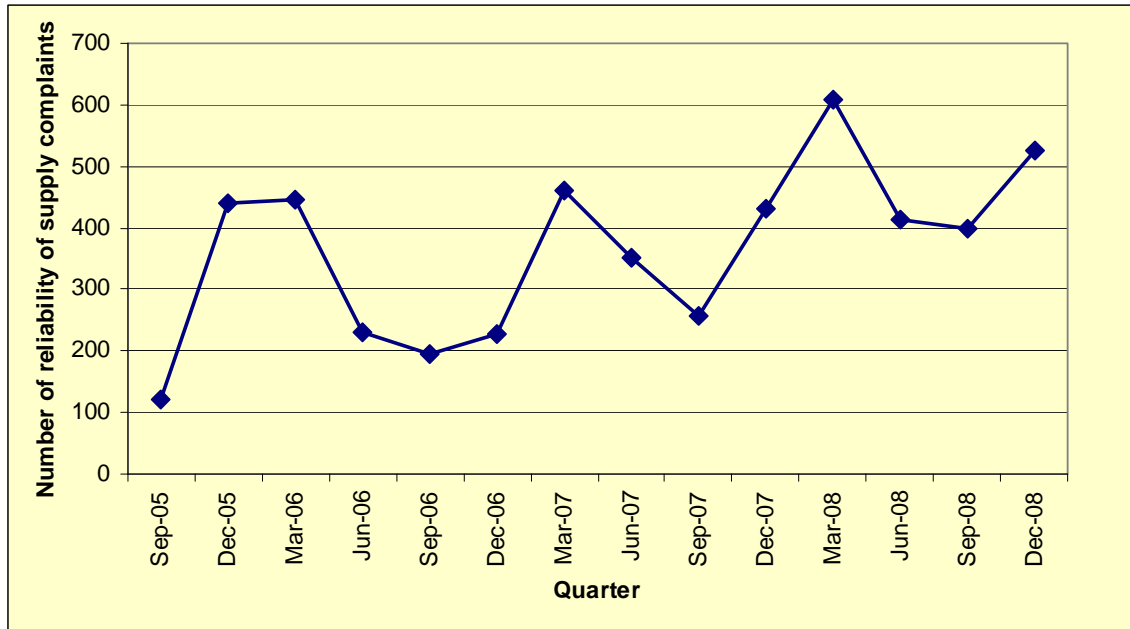
On a quarterly basis, Ergon Energy’s customers experienced an average of 1.5 distribution-related outages in the December quarter 2008, significantly higher than the average 0.6 outages in the September quarter 2008. The underlying duration of distribution-related outages more than doubled, from 76.9 minutes in the September 2008 to 146.3 minutes in December 2008. This result was higher than the December quarter 2007 figure of 124.6 minutes, a result of the three major events days (MED) that were registered during the December quarter 2008 (on 20 November, 7 December and 8 December 2008).

Figure 9: Average duration of outages per customer, annual



The total number of customer reliability complaints increased significantly from 399 complaints in the September quarter 2008 to 526 complaints in the December quarter 2008 (this figure includes 185 complaints relating to momentary interruptions to supply) (**Figure 10**). Ergon Energy attributed the result mainly to the extremely unfavourable weather conditions experienced during the quarter.

Figure 10: Total number of reliability of supply complaints, quarterly



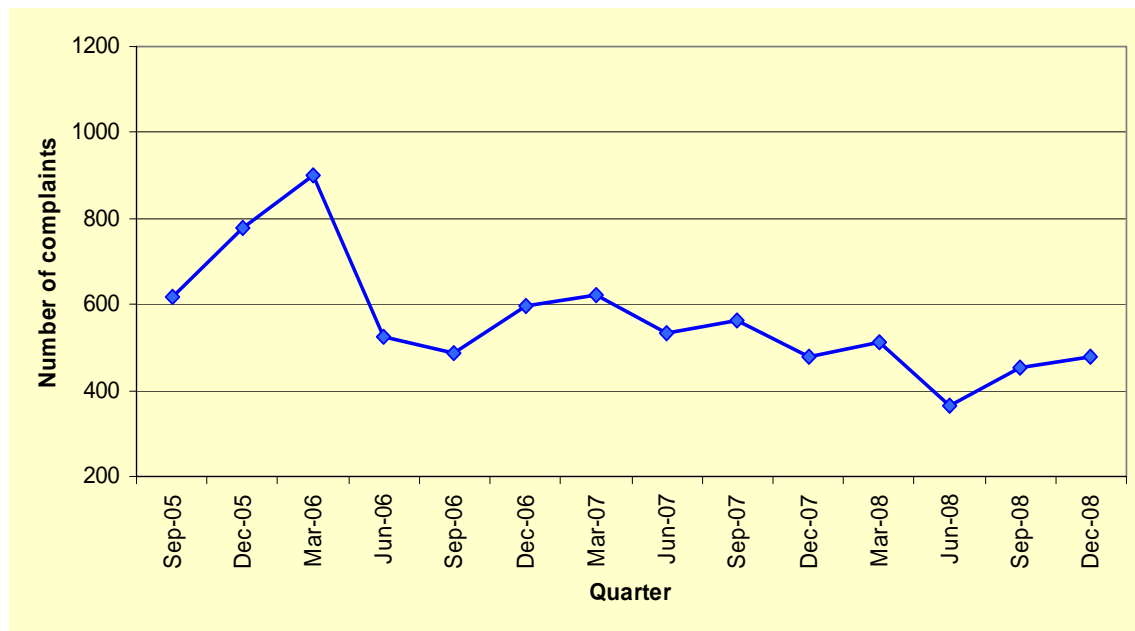
The average time taken to resolve reliability of supply complaints increased marginally from 2.5 days in September 2008 to 2.8 days in the December quarter 2008. This figure includes momentary interruption complaints and counts all complaints resolved during the quarter, which may include complaints received in previous quarter. Nevertheless, this result is still within Ergon Energy’s internal complaints resolution target of five days from the receipt of a complaint. Some fluctuation between quarters for this measure is considered normal because of the storm-related seasonal influences.

2. Quality of Supply Measures

- *Total number of technical quality of supply complaints increased, while the average time taken to fix a technical supply fault remained unchanged*

The total number of technical quality of supply complaints received by Ergon Energy increased from 454 complaints in the September quarter to 478 complaints in the December quarter (**Figure 11**). This result was due to an increase in the number of complaints related to low supply voltage, voltage spike, TV or radio interference, noises from appliances or lights and a range of other unclassified complaints.

Figure 11: Total number of technical quality of supply complaints, quarterly



The average time taken to fix a technical supply fault remained unchanged from the previous quarter at 90 days. This measure includes all technical supply faults that were resolved within the reporting quarter and will include some faults reported in previous quarters.

Ergon Energy advised that the processes involved in resolving technical supply faults are generally more complex in nature compared to other types of complaints as these faults relate to voltage quality parameters (such as voltage dips, voltage swells, waveform distortion or waveform unbalance) which require a more thorough investigation process.

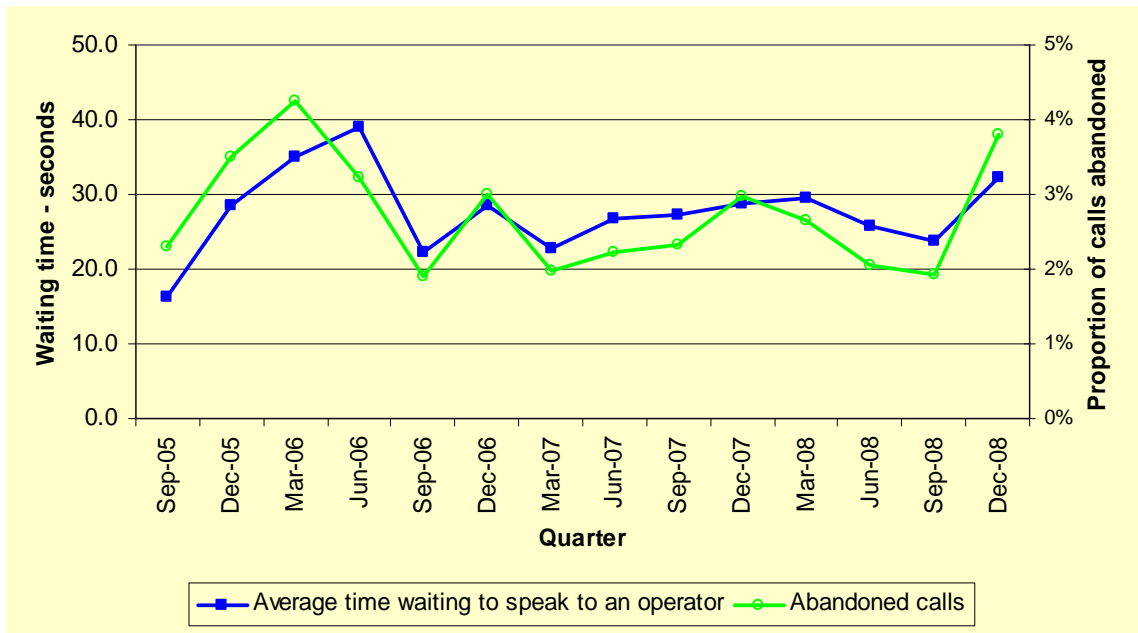
3. Customer Service Measures

➤ *Performance across a range customer service measures was mixed.*

The average time that customers had to wait to speak to an operator increased from 23.8 seconds to 32.2 seconds in the December quarter 2008. This is the worst result reported by Ergon Energy over the year (**Figure 12**).

The percentage of calls abandoned (that is, calls that diverted to a human operator but were abandoned) almost doubled in the December quarter to 3.8%. This is the worst result reported over the past two years. Ergon Energy attributed the deterioration in performance on these call centre measures to the impacts of the unfavourable weather conditions experienced during the quarter. The widespread storms in December 2008 caused a significant increase in the number of unplanned outages, prompting large call spikes to Ergon Energy’s faults line, which in turn affected the efficiency of the call centre operators.

Figure 12: Waiting time to speak to an operator and abandoned calls, quarterly



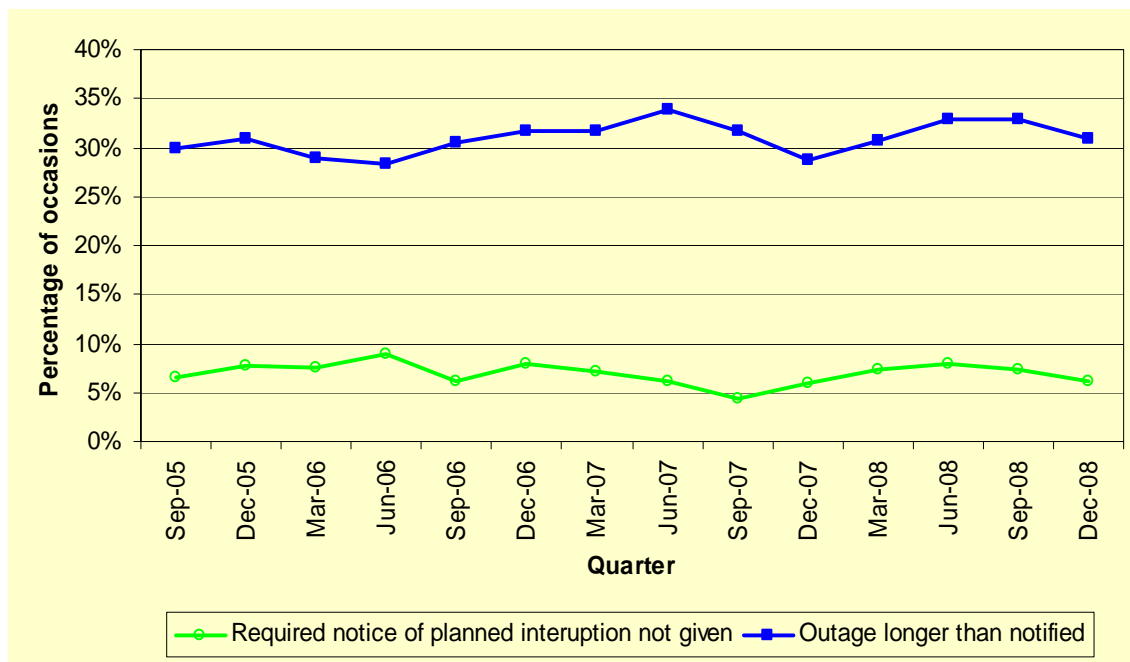
The average time taken for reconnections and new connections during the December quarter 2008 remained close to the long-term trend levels of one and two days respectively. These results are in line with Ergon Energy’s standard target thresholds of two business days to arrange a new connection and a re-connection.

During the December quarter 2008, 1,065 faulty streetlights were reported within Ergon Energy’s distribution area. Of the total, 24.9% were not repaired by the agreed date with an average time taken to repair faulty streetlights of 6.5 days during the quarter. Quarter-by-quarter comparisons for these measures is not possible in this instance as this is the first time since the September quarter 2006 that Ergon Energy was able to report on its streetlight performance.

As shown in **Figure 13**, the percentage of occasions on which Ergon Energy did not provide the required notice of a planned interruption to supply dropped from 7.24% in the September quarter 2008 to 6.1% in the December quarter 2008.

The proportion of planned interruptions that exceeded the time specified in Ergon Energy’s notification decreased from 32.8% in September to 30.8% in the December quarter. The results for this measure have remained relatively constant at around 30-35% thus far.

Figure 13: Notification of planned interruptions, quarterly



The total number of customer service complaints received by Ergon Energy increased marginally from 946 complaints in the September quarter 2008 to 949 complaints in the December quarter 2008. This outcome was largely caused by an increase in the number of complaints related to field activity and metering/technical quality of supply.

However, the average time taken to resolve these complaints improved from 3.9 days September to 3.5 days in the December quarter (**Figure 14**).

Figure 14: The average time taken to resolve customer service complaints, quarterly

