ELECTRICITY DISTRIBUTION – SERVICE QUALITY PERFORMANCE FOR THE SEPTEMBER QUARTER 2007

Introduction

The Authority's *Electricity Distribution: Service Quality Reporting 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 DNSPs' reports on its website with the September quarter 2002 reports. In August 2005, the Authority revised its Guidelines to strengthen the reporting and to facilitate nationally consistent reporting. The DNSPs commenced reporting against the revised Guidelines with the September quarter 2005 reports.

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

The Nature of the Data

The service quality measures that the DNSPs 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, and unplanned interruptions will at times be due to events that are beyond the control of the DNSPs, 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, based on customers reporting symptoms that are typically associated with such problems.

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

A Cautionary Note

The service quality measures collected by the Authority are not intended to allow comparison of the DNSPs with each other. 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.

ENERGEX

1. Reliability Measures

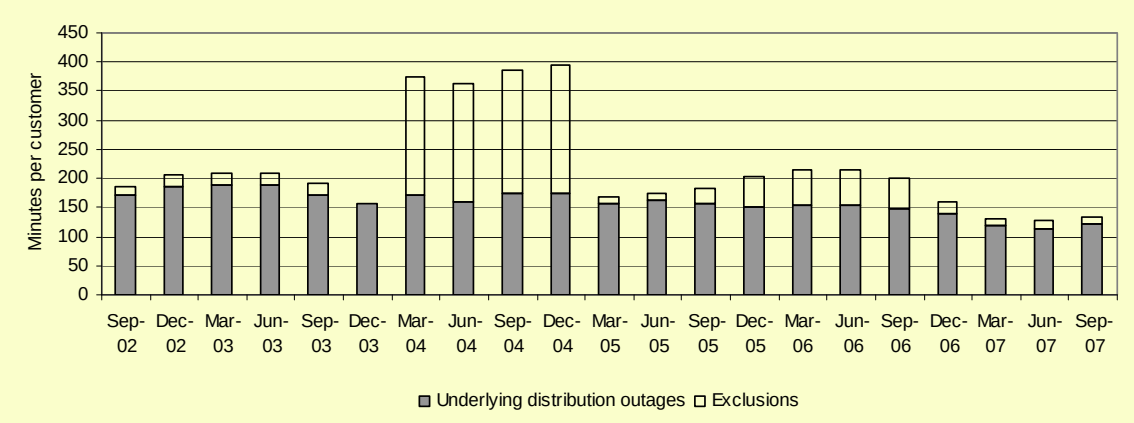
- ***Underlying reliability deteriorates marginally.***

The average duration of distribution-related outages deteriorated from around 22 minutes during the June quarter 2007 to around 29 minutes during the September quarter 2007. This result was also 32 per cent higher than that experienced during the September quarter 2006. Energex advised that the increase is explained by unseasonably heavy rain in August 2007 that delayed restoration of outages in some regions, particularly the North Coast area. These outages did not meet the definition of an exclusion event under the 2.5 beta method.

For the 12 months to end June 2007, Energex customers experienced, on average, 1.48 distribution-related interruptions leaving them without power for a total of 133 minutes. As shown in Figure 1, this result is a marginal deterioration on the 12 months to end June 2007.

After removing the effect of unusual events, underlying distribution-related reliability also deteriorated over the September quarter. The average duration of outages (shaded) over the preceding 12 months was at a record low last quarter of 114 minutes, but has risen this quarter to 121 minutes.

Figure 1 Average duration of outages per customer for the 12 months to end of quarter



Customer reliability complaints increased from 59 in the June quarter to 139 during the September quarter. This result is also above the average for the previous four September quarters of 82 complaints. Energex advised that the majority of these complaints (69) related to a series of weather related events over a few days which caused an influx of complaints.

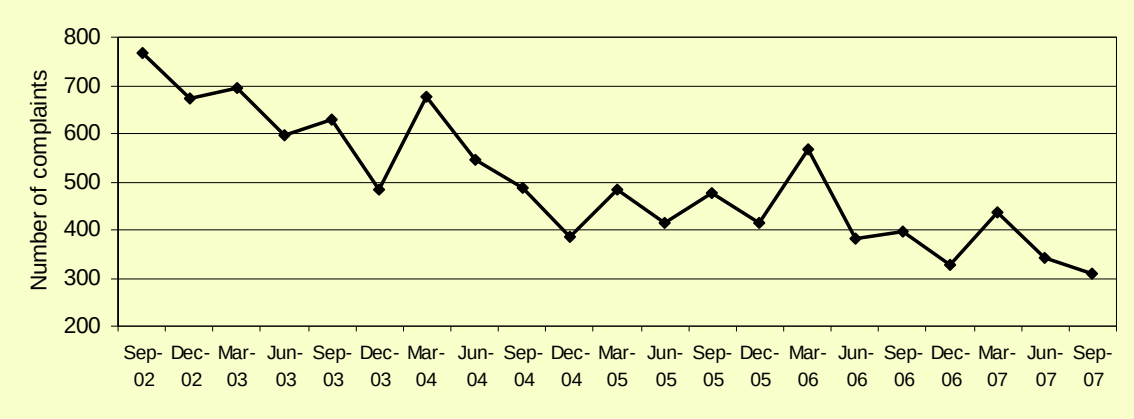
The average time taken to resolve reliability of supply complaints remained at 2 days, equal to the record best and below the average over the last two years of 3 days.

2. Quality of Supply Measures

- ***Technical quality of supply complaints down.***

Total quality of supply complaints decreased from 341 in the June quarter to 310 during the September quarter as shown in Figure 2.

Figure 2 Total number of quality of supply complaints



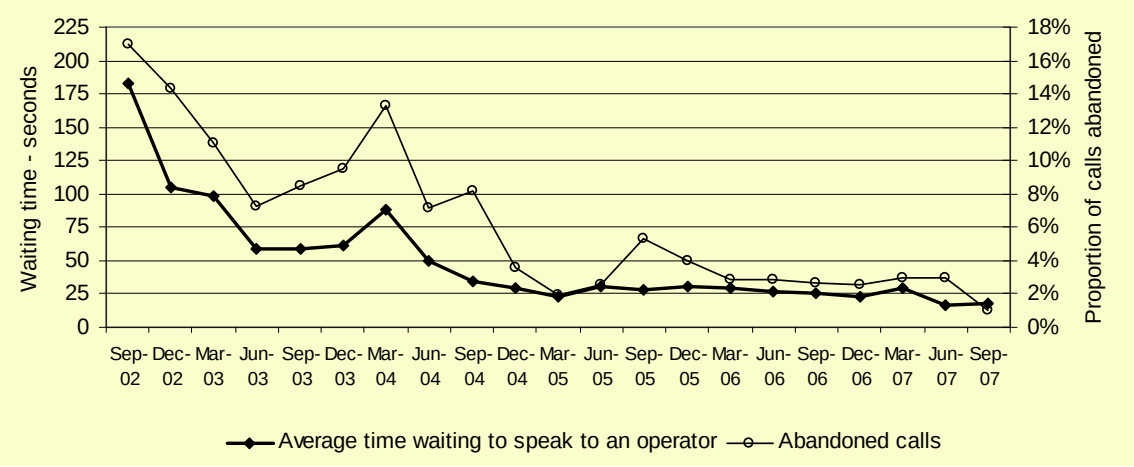
The average time taken to fix technical supply faults during the June quarter was 26.1 days, which is a record low for this measure.

3. Customer Service Measures

- ***Call centre performance mixed and customer service complaints continue to rise.***

On average, Energex customers had to wait 18 seconds to speak to an operator when calling the call centre during the September quarter, which is marginally longer than the 16 seconds recorded for the last quarter as shown in Figure 3. The percentage of calls abandoned fell to a new record low of 1.0 per cent.

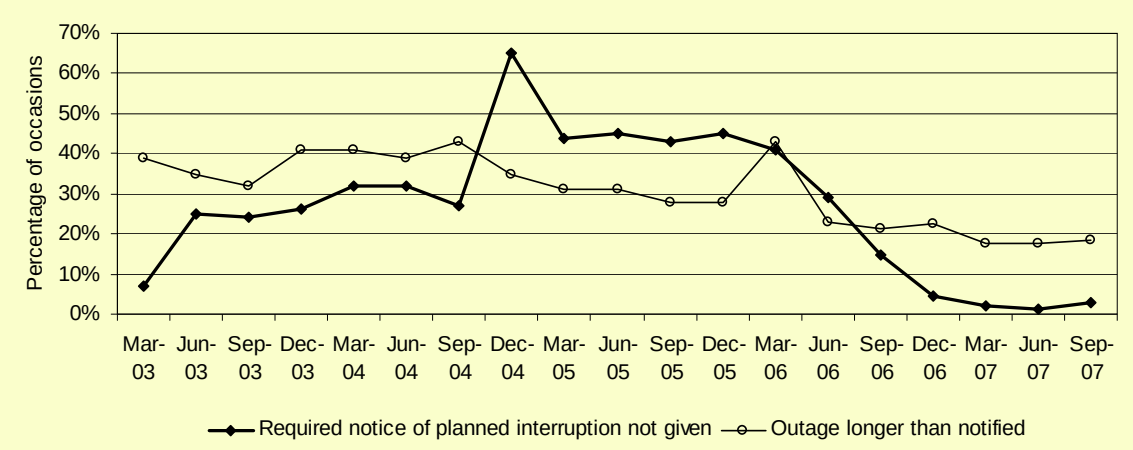
Figure 3 Waiting time to speak to an operator and abandoned calls



The time taken for new connections and reconnections remained close to long term levels of around 4.09 days and 4.05 hours respectively. The average time taken to repair faulty street lights remained at four days in the September quarter, the same number of days as the last two quarters.

As shown in Figure 4, occasions on which Energex did not provide the required notice of a planned interruption increased from a record low last quarter of 1.4 per cent to 2.8 per cent for the September quarter. The proportion of planned interruptions that exceeded the time specified in the notification rose marginal above the record low achieved last quarter of 18 per cent to 19 per cent for the September quarter.

Figure 4 Insufficient notification of planned interruptions



Customer service complaints increased significantly from 2,724 in the June quarter to 3,662 in the September quarter 2007. This is the fifth quarter on end that the total number of complaints has increased. Energex has advised that the increase for the last three quarters is largely explained by rising meter reading complaints due to a greater focus on Workplace Health and Safety compliance (for example, meter readers are less likely to enter a property now if an unrestrained dog is on the premises) and the inability of customers to provide their own meter readings since the commencement of full retail competition on 1 July 2007. Energex advised that it is working with its meter reading contractor (Spotless) on providing customers with greater information on why Spotless could not access their meter in an attempt to mitigate the rising trend in complaints.

The average time taken to resolve customer service complaints was at a new record low of 1.7 days, down from 2 days during the last quarter.

ERGON ENERGY

1. Reliability Measures

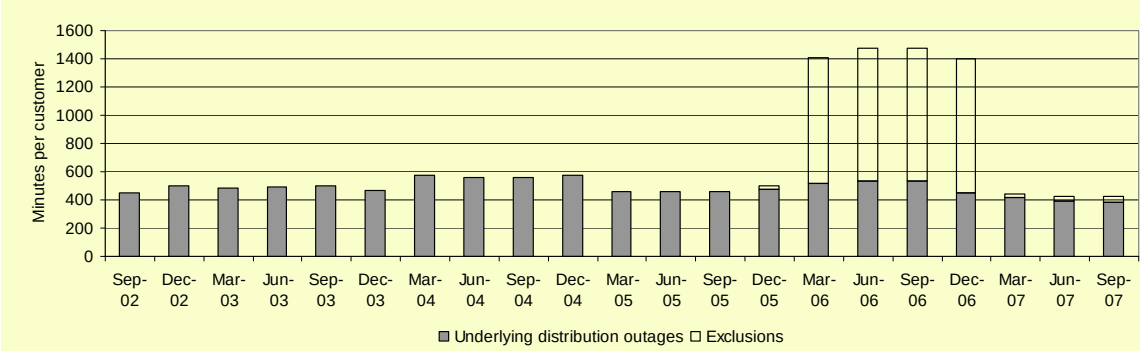
- ***Underlying reliability at record best.***

The average duration of distribution-related outages was 77 minutes during the September quarter, up slightly from the record best last quarter of 71 minutes.

During the 12 months to end September 2007, Ergon Energy customers experienced, on average, 3.3 distribution-related interruptions leaving them without power for a total of 422 minutes. This result represents a record best as shown in Figure 5.

Removing the effect of exclusion events, the underlying distribution-related outages (shaded) for the September quarter were at a record best. The high level of exclusions for 2006 was the result of Cyclone Larry in March 2006.

Figure 5 Average duration of outages per customer for the 12 months to end of quarter



The number of reliability complaints received from Ergon Energy customers decreased from 351 in the June quarter to 258 in the September quarter. However, the number of reliability complaints is traditionally lowest during the September quarter and this result was above the average for the previous four September quarters of 176 complaints.

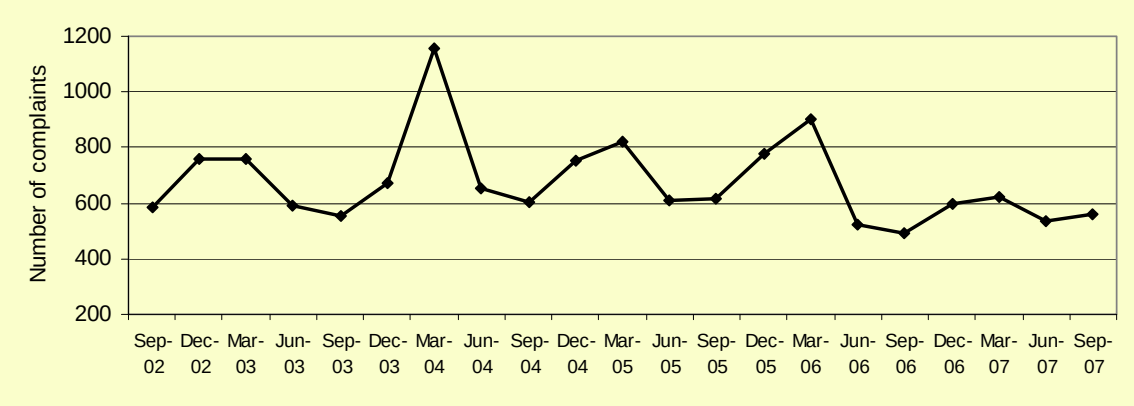
The average time taken to resolve a reliability complaint was 1.9 days during the September quarter, down from 2.3 days during the June quarter.

2. Quality of Supply Measures

- ***Technical quality of supply complaints increased marginally, although the time to fix faults improved significantly.***

The total number of technical quality of supply complaints rose marginally to 562 during the June quarter, as shown in Figure 6.

Figure 6 Total number of quality of supply complaints



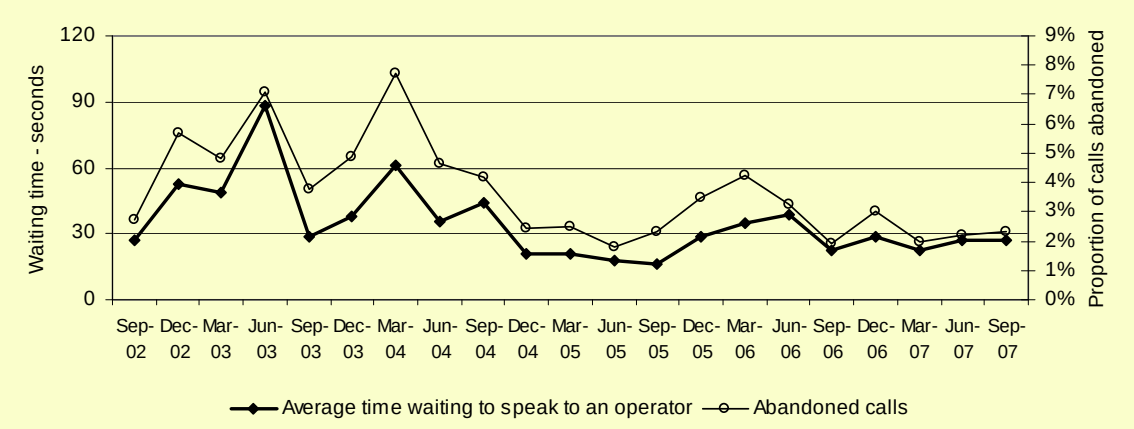
The average time taken to fix technical supply faults was 54 days during the September quarter. This result is a record best and represents a significant improvement on the June quarter result of 76 days. Ergon Energy attributed this result largely to a lower volume and average time to resolve older complaints (particularly, those complaints over 9 months or more) during the September quarter.

3. Customer Service Measures

- ***Call centre performance largely unchanged.***

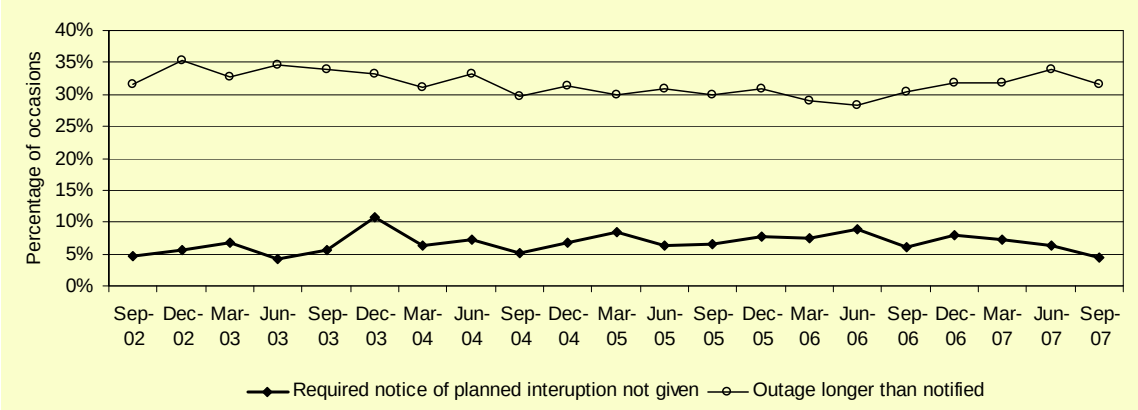
The average length of time customers had to wait to speak to an operator was 27 seconds in the September quarter, the same as last quarter, as shown in Figure 7. The percentage of calls abandoned deteriorated marginally from 2.2 per cent last quarter to 2.3 per cent during the September quarter.

Figure 7 Waiting time to speak to an operator and abandoned calls



Occasions on which Ergon Energy did not provide the required notice of a planned interruption decreased from 6.2 per cent last quarter to 4.4 per cent in the September quarter, as shown in Figure 8. The proportion of planned interruptions that exceeded the time specified in the notification decreased from 34 per cent last quarter to 32 per cent in the September quarter.

Figure 8 Insufficient notification of planned interruptions



The number of customer service complaints increased to 948 in the September quarter compared to 799 complaints last quarter. This result was driven by increases in complaints related to the national contact centre and field activities during the September quarter 2007 compared to last quarter. Ergon Energy advised the increase in the national contact centre complaints was primarily due to increased complaints relating to its Interactive Voice Response system (an additional 59 complaints). Field activity complaints increased by 57 complaints compared to last quarter due to increased field work that followed a series of storms which hit the southern region (Wide Bay region) of Ergon Energy's network in late August 2007.

The average time taken to resolve these complaints improved from 5.1 days in the last quarter to 3.3 days during the September quarter.