



ELECTRICITY DISTRIBUTION – SERVICE QUALITY PERFORMANCE FOR THE MARCH QUARTER 2010

Introduction

The Authority's *Electricity Distribution: Service Quality Reporting Guidelines* (the Guidelines) require the Distribution Network Service Providers (the distributors) 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.

In the quarterly reports, the Authority provides a brief overview of the measures reported by the distributors. In 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 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 customer complaints attributed to various symptom types such as low supply voltage, voltage swells and spikes.

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. 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 and the Authority's Guidelines to ensure correct interpretation of the data.

Following the transfer of responsibility for many distribution related functions to the Australian Energy Regulator as from 1 July 2010, this is the last set of service quality data that will be released by the Authority.

ENERGEX

1. Reliability Measures

- *Underlying reliability of supply measures deteriorated marginally during the March quarter 2010;*
- *Total number of reliability of supply complaints decreased significantly; and*
- *Average time taken to resolve these complaints remained unchanged.*

Reliability measures are subject to seasonal influences, with the December and March quarters in particular subject to the summer storm season. For this reason, data comparisons will generally be more meaningful when comparing the results for the same quarters in different years or comparing annual data, rather than comparing the results of two consecutive quarters.

In the 12 months ending 31 March 2010, Energex customers experienced an average of 1.69 distribution-related interruptions and were left without power for an average of 158 minutes over the year. This compares to 1.65 distribution-related interruptions and an average duration of 159 minutes in the 12 months ending 31 December 2009.

A low level of exclusion events (34.1 minutes) were reported in the year to March 2010 (unshaded in **Figure 1**). After removing the effect of exclusion events, Energex customers, on average, experienced 1.53 distribution-related interruptions, leaving them without power for a total of 124.4 minutes. This is slightly higher than the 1.45 distribution-related interruptions and 120.1 minutes without power reported during the 12 months ending December quarter 2009.

Figure 1: Average duration and frequency of outages per customer: Cumulative Annual

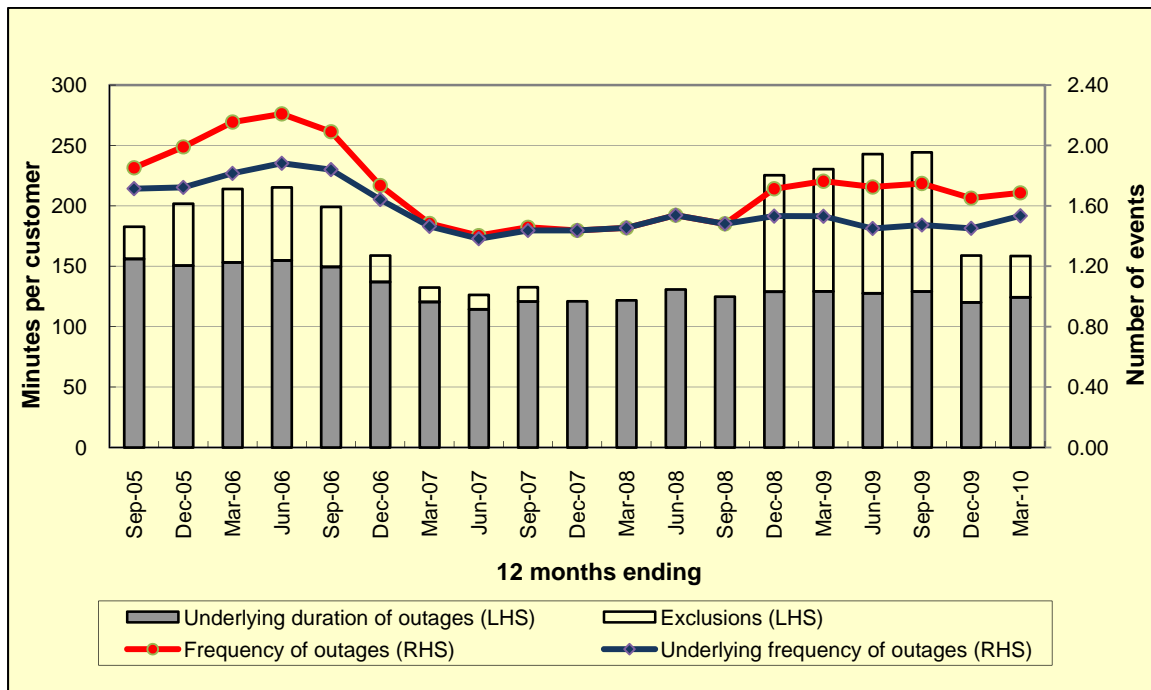
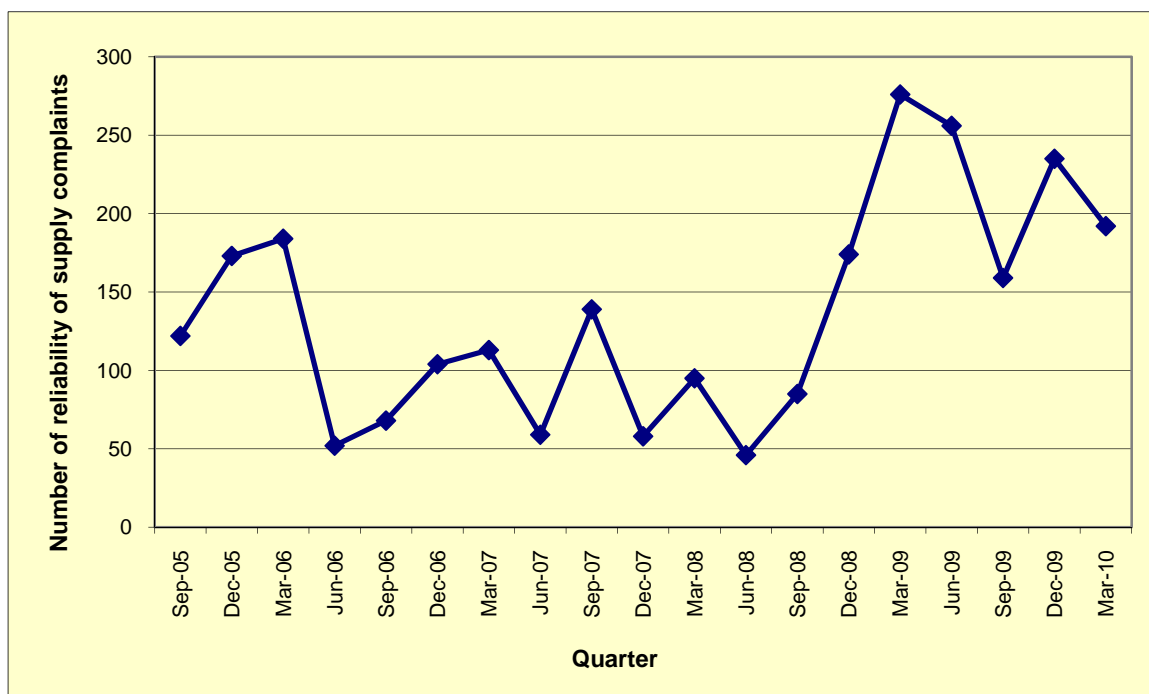


Figure 2 shows the number of reliability of supply complaints received by Energen and indicates that the number of complaints received generally also follows a seasonal pattern, peaking in the storm season quarters of December and March.

In the March quarter 2010, the number of reliability of supply complaints received by Energen decreased significantly from 235 complaints (including 13 momentary interruption complaints) in the December quarter 2009 to 192 complaints (including six momentary interruption complaints). Energen indicated that this reflected less storm activity in the March quarter 2010 compared to the December quarter 2009.

The average time taken of one day to resolve these complaints remained unchanged from the previous quarter.

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 (i.e. less than one minute).

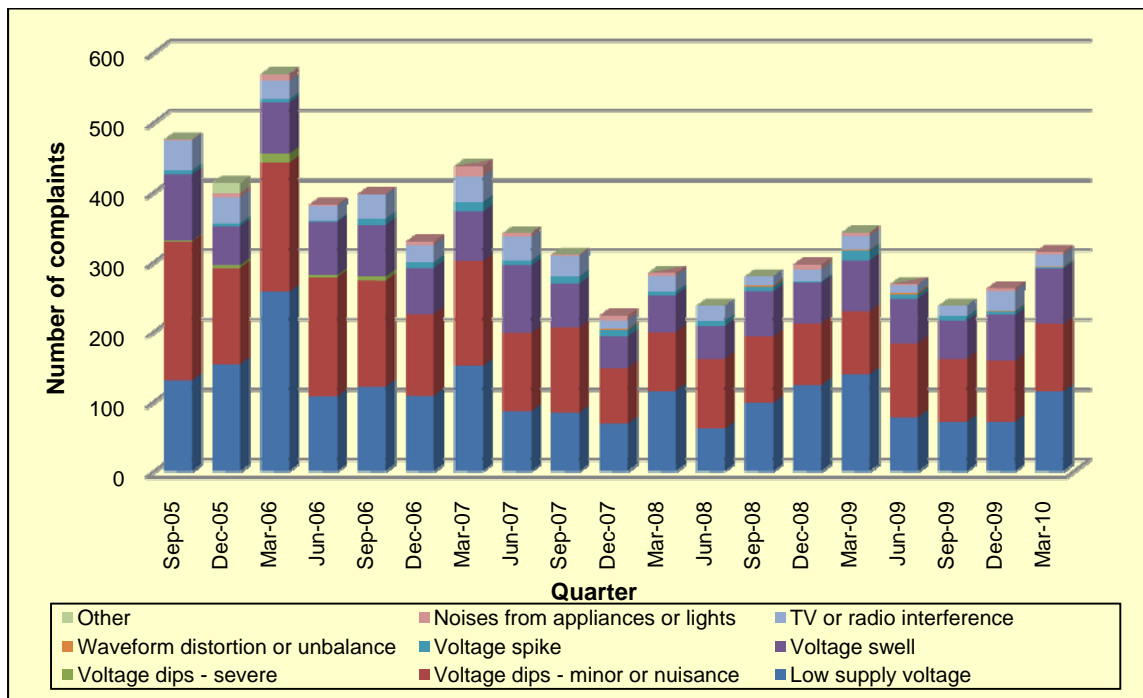
Quality of Supply Measures

- *The number of technical quality of supply complaints and the average time taken to resolve these complaints increased from the previous quarter.*

A technical supply fault occurs where the customers' electricity stays on but fluctuates from the normal level (for example, flickering lights). **Figure 3** shows that the total number of technical quality of supply complaints increased from 262 complaints in the December quarter 2009 to 314 complaints in the March quarter 2010. Energen was unable to provide an explanation for the increase in the number of technical quality of supply complaints, despite observing that the month of February has recorded a spike in the number of technical quality of supply complaints every year.

However, the March quarter 2010 result is a slight improvement over the corresponding quarter in 2009 when 342 complaints were received.

Figure 3: Total number of technical quality of supply complaints: Quarterly



In normal circumstances, Energex guarantees to investigate and respond to a technical quality of supply fault within 28 days. In the March quarter 2010, Energex met this target by averaging 24 days to resolve these types of complaints. This is an increase from the December quarter 2009 which averaged 22 days.

2. Customer Service Measures

- *The average waiting time to speak to an operator and the proportion of abandoned calls decreased;*
- *The number of new connections decreased and the number of reconnections increased;*
- *The number of faulty streetlights increased; and*
- *The number of customer service complaints decreased.*

Figure 4 shows that Energex customers had to wait an average of 22 seconds to speak to a call centre operator in the March quarter 2010. This is a marginal improvement from the December quarter 2009 when the average waiting time was 23 seconds. The percentage of calls abandoned (calls that were diverted to a human operator but were abandoned before they were answered) decreased from 4.7% in the December quarter 2009 to 4.0% in the March quarter 2010.

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

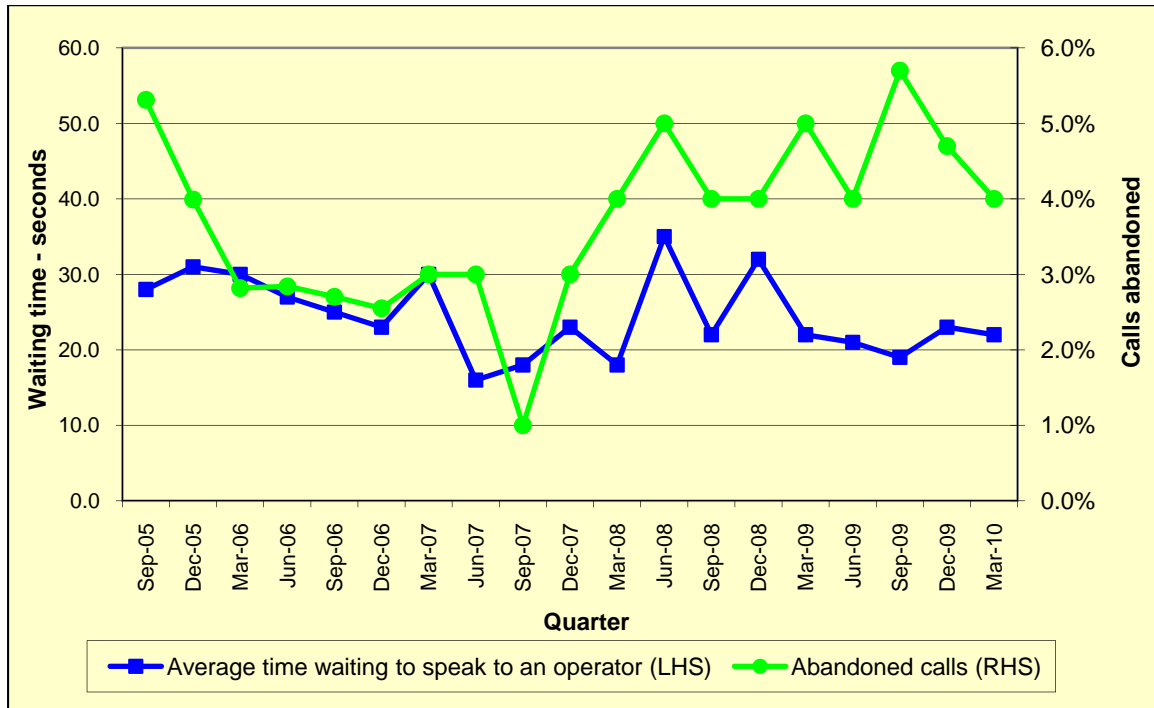


Figure 5 provides information relating to the number of new connections and reconnections undertaken by Energex and the timeliness in which those connections occurred.

The total number of new connections made by Energex decreased from 7,610 in the December quarter 2009 to 6,538 in the March quarter 2010. According to Energex, this decrease is consistent with seasonal trends and is in line with the number of new connections completed in the March quarter 2009 (6533).

The percentage of new connections not made by the agreed date (0.5%) was marginally higher than the December quarter 2009 (0.3%). The average time taken for new connections increased from 2.8 days for the December quarter 2009 to 3.2 days for the March quarter 2010.

The number of reconnections increased significantly from 20,173 in the December quarter 2009 to 23,390 in the March quarter 2010. According to Energex, this was due to the de-energisation switch seal process introduced in mid-December 2008, which enables Energex to de-energise a property by placing a seal over the mains switch rather than having to physically de-energise a property by removing a fuse. Energex reported that increased volumes of physical de-energisations being successfully completed had also contributed to the increased volumes of reconnection requests.

The percentage of reconnections not made on the agreed date (0.7%) was marginally higher than the December quarter 2009 result (0.5%).

Figure 5: New connections and reconnections: Quarterly

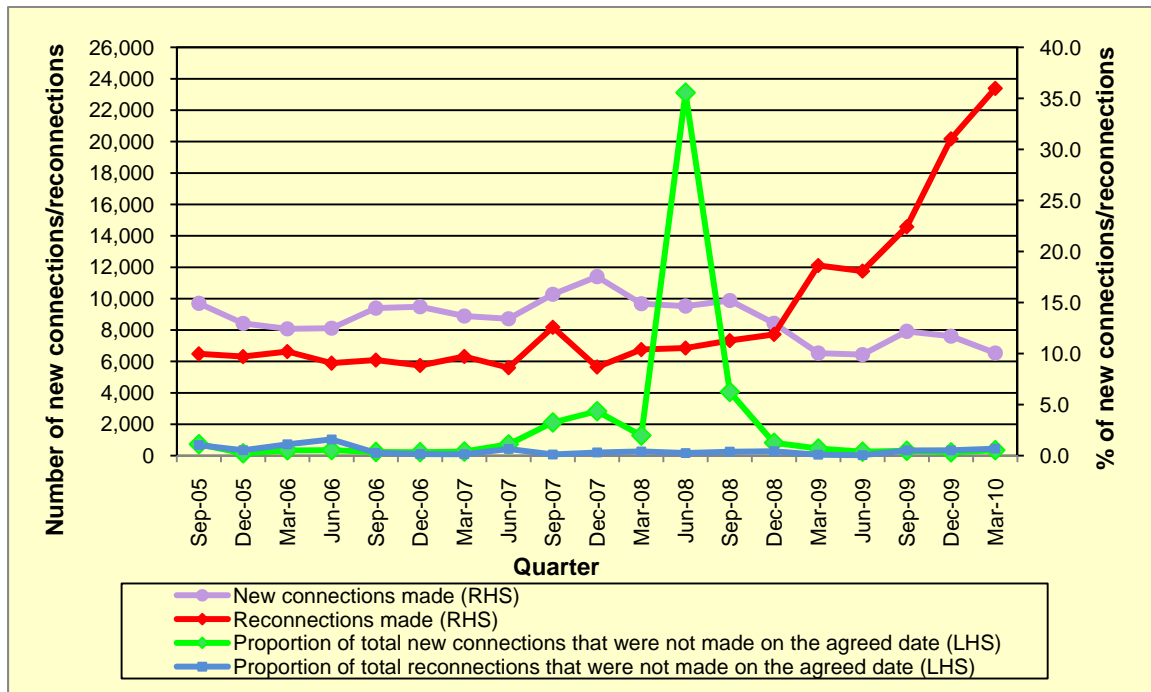
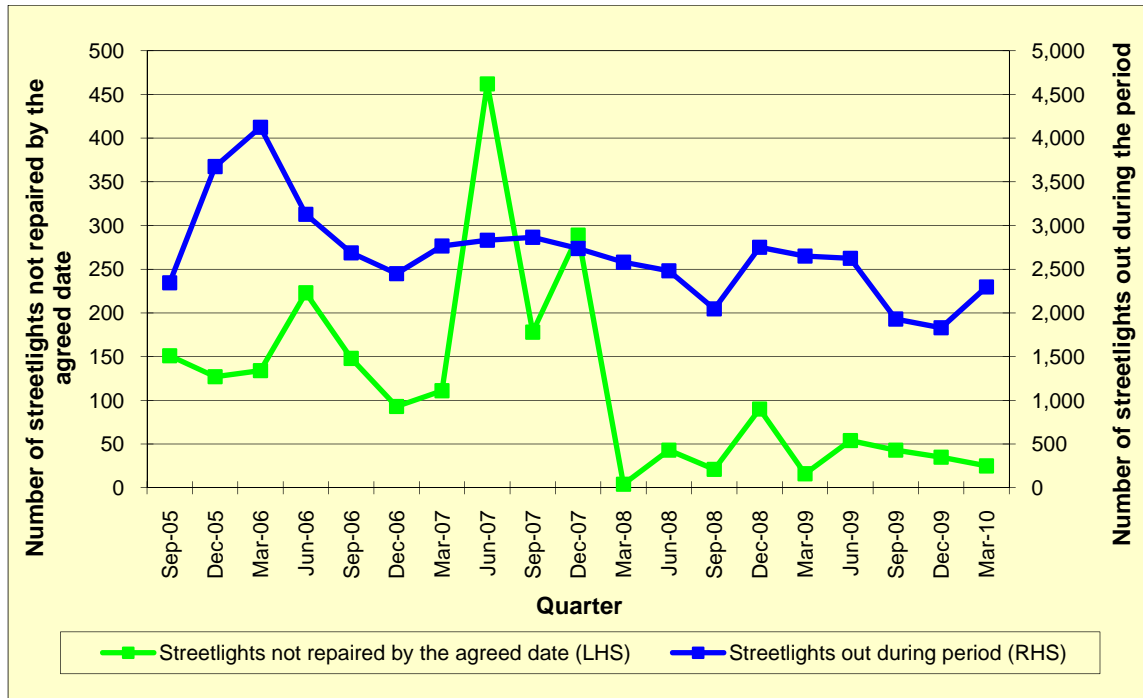


Figure 6 provides information on Energex’s performance in relation to streetlights located within its distribution area. In the March quarter 2010, Energex customers reported 2,297 faulty streetlights, which was significantly more than the 1,830 faulty streetlights reported for the previous quarter. Energex was unable to provide an explanation for the increase in faulty streetlights and noted that there did not appear to be any trends with respect to location or other external factors.

The number of streetlights not repaired by the agreed date declined from 35 in the December quarter 2009 to 25 in the March quarter 2010. However, the average time of 3.4 days taken to repair faulty streetlights (including the day of notification) remained unchanged from the December quarter 2009.

Figure 6: Streetlight performance: Quarterly



Energex undertakes to provide two business days notice before interrupting supply. **Figure 7** shows that Energex did not meet this target 2.2% of the time in the March quarter 2010, which was an improvement in performance from the 3.0% failure rate recorded in the December quarter 2009.

The proportion of planned interruptions that exceeded the length of time specified in the notification increased marginally, from 16.0% in the December quarter 2009 to 17.9% in the March quarter 2010.

Figure 7: Planned interruptions: Quarterly

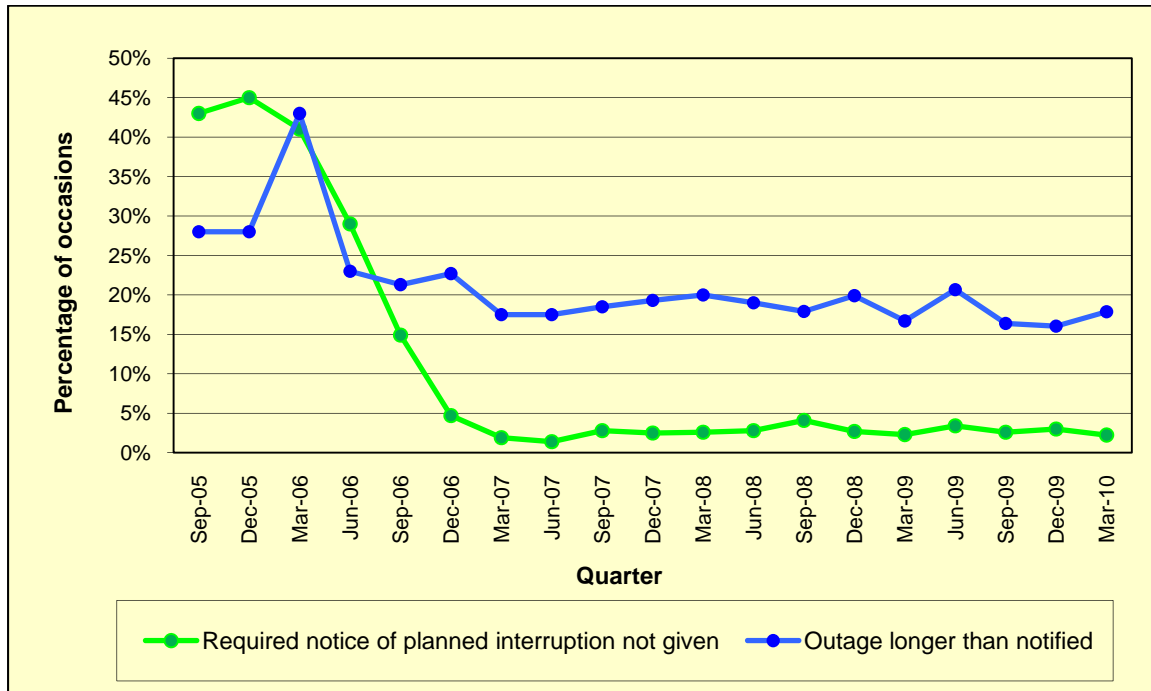
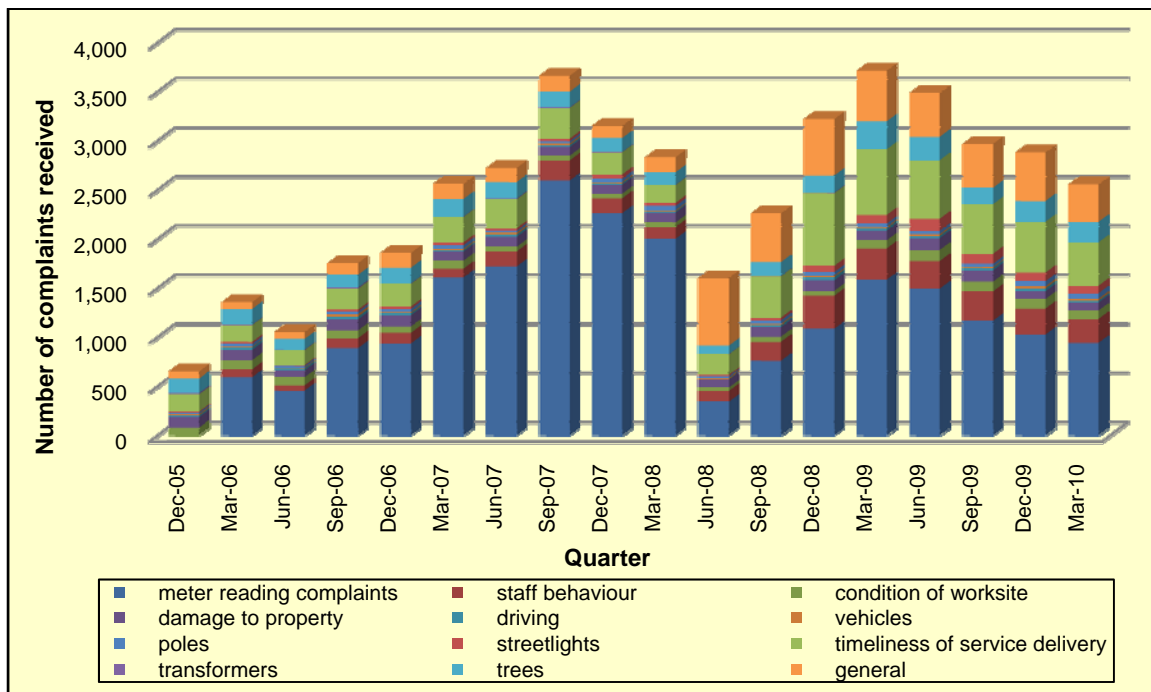


Figure 8 shows that the number of customer service complaints (categorised by causes) received by Energex decreased from 2,882 in the December quarter 2009 to 2,556 in the March quarter 2010. The average time taken to resolve a complaint increased slightly from 1.2 days in the December quarter 2009 to 1.6 days in the March quarter 2010.

Figure 8: Customer service complaints: Quarterly



ERGON ENERGY

1. Reliability Measures

- *Underlying reliability of supply measures improved; and*
- *The total number of customer reliability complaints and the time taken to respond to them increased.*

As mentioned in the preceding section, reliability measures are subject to seasonal influences, generally peaking in the storm season quarters of December and March. Therefore, data comparisons are generally more meaningful when comparing the results for the same quarters in different years or comparing annual data, rather than comparing the results of two consecutive quarters.

In the 12 months ending 31 March 2010, Ergon Energy customers experienced an average of 4.6 distribution-related interruptions and were left without power for an average of 775 minutes. This compares to 4.5 distribution-related interruptions and an average duration of 556.3 minutes in the 12 months ending 31 December 2009.

A high level of exclusion events (246.6 minutes) was recorded in the year to March 2010. According to Ergon Energy, this was largely due to heavy rains, serious floods and Tropical Cyclone Ului. After removing the effect of exclusion events (unshaded in **Figure 10**), Ergon Energy customers, on average, experienced 4.35 distribution-related interruptions, leaving them without power for a total of 528.4 minutes. This is an improvement on the 4.54 distribution-related interruptions and 556.3 minutes without power during the 12 months ending December 2009.

Figure 10: Average duration and frequency of outages per customer: Cumulative Annual

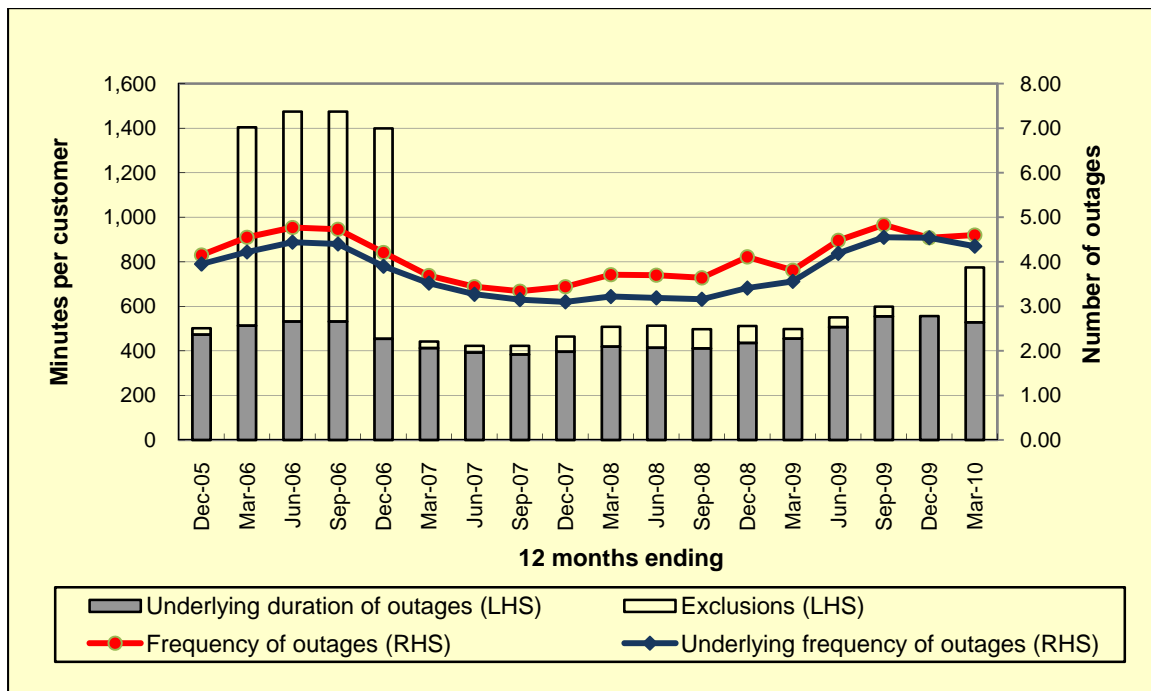
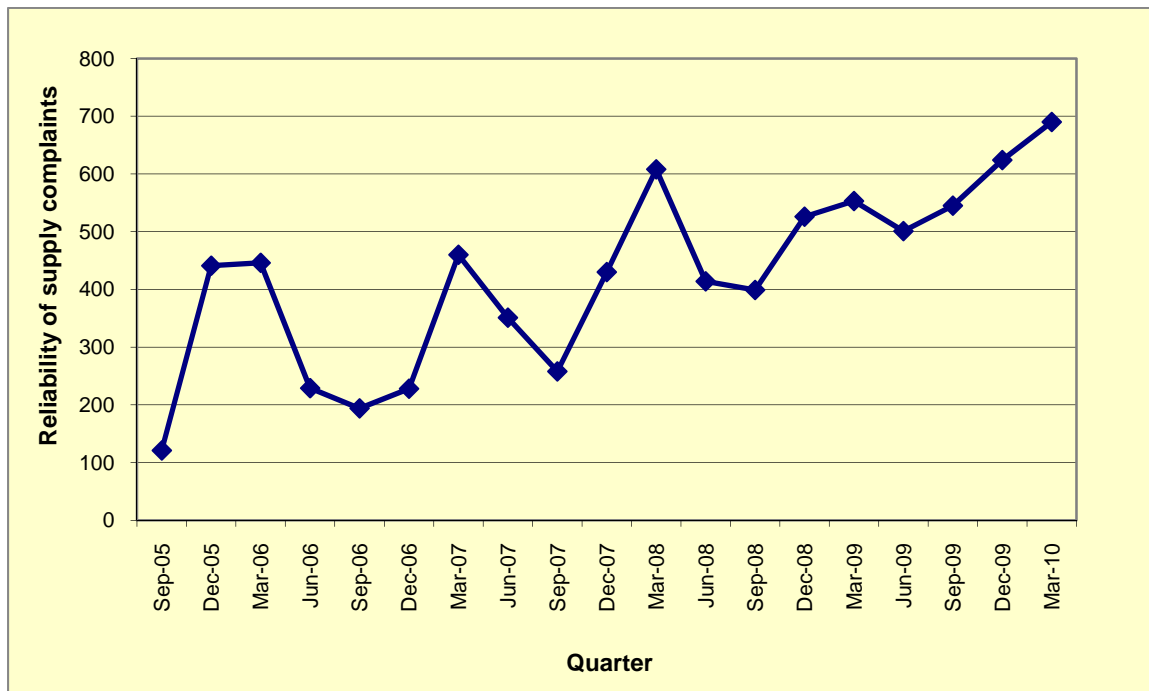


Figure 11 shows the total number of reliability of supply complaints received by Ergon Energy during the quarter and indicates that the number of complaints received has tended to follow a seasonal pattern, peaking during the storm season quarters of December and March. There has also been a general trend upwards in the number of reliability of supply complaints due to an increase in the number of major event days and significant storm and flooding activity occurring over time. During the March 2010 quarter, Ergon Energy indicated that it had encountered one of the worst storm seasons and that Tropical Cyclone Ului had caused major damage to the Mackay and Whitsunday's region.

The number of reliability of supply complaints increased from 624 complaints in the December quarter 2009 to 690 complaints in the March quarter 2010. The average time taken to resolve these complaints also increased from 1.9 days in the December quarter 2009 to 3.4 days in the March quarter 2010.

According to Ergon Energy, the increase in reliability of supply complaints for the quarter (excluding momentary interruption to supply complaints) was attributed to the impact of a record seven major event days during the period, with six of these occurring in March alone. Consequently, the average time taken to resolve reliability of supply complaints increased as Ergon Energy prioritised resolving significant asset events over reliability complaints.

Figure 11: Total number of reliability of supply complaints: Quarterly



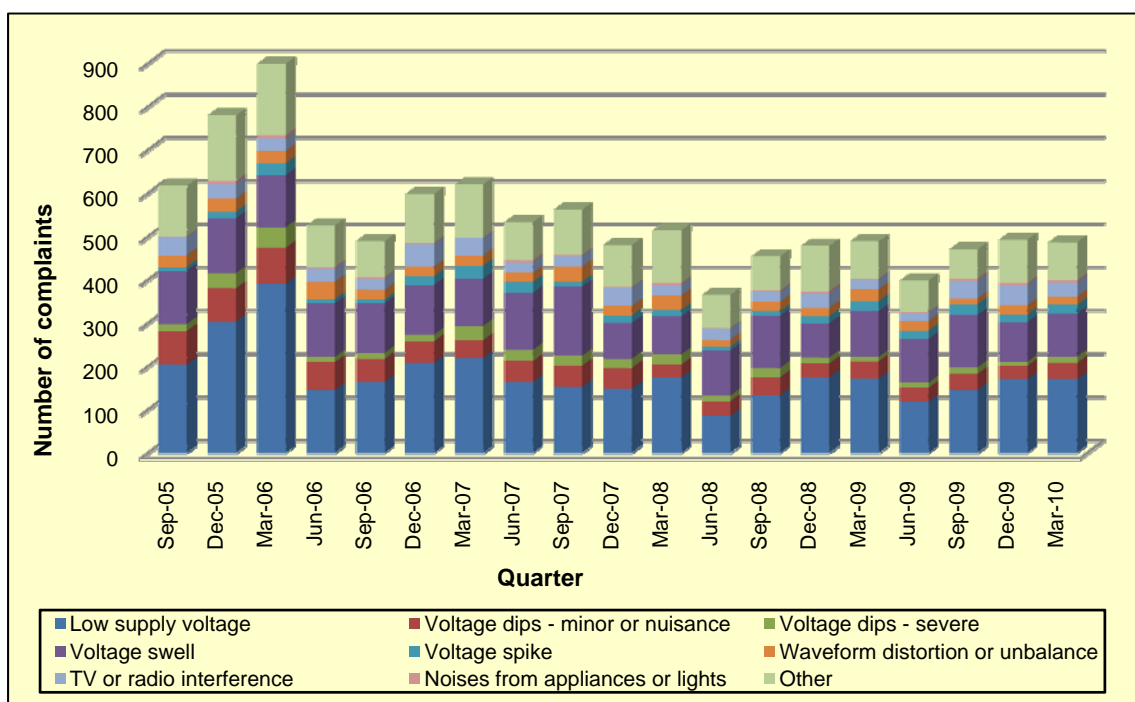
2. Quality of Supply Measures

- *The total number of technical quality of supply complaints decreased and the average time taken to fix a technical supply fault increased during the March quarter 2010.*

Figure 12 shows that the total number of technical quality of supply complaints received by Ergon Energy decreased from 492 complaints in the December quarter 2009 to 486 complaints in the March quarter 2010.

The average time taken to resolve technical supply faults increased from 74 days in the December quarter 2009 to 78 days in the March quarter 2010.

Figure 12: Total number of technical quality of supply complaints: Quarterly



3. Customer Service Measures

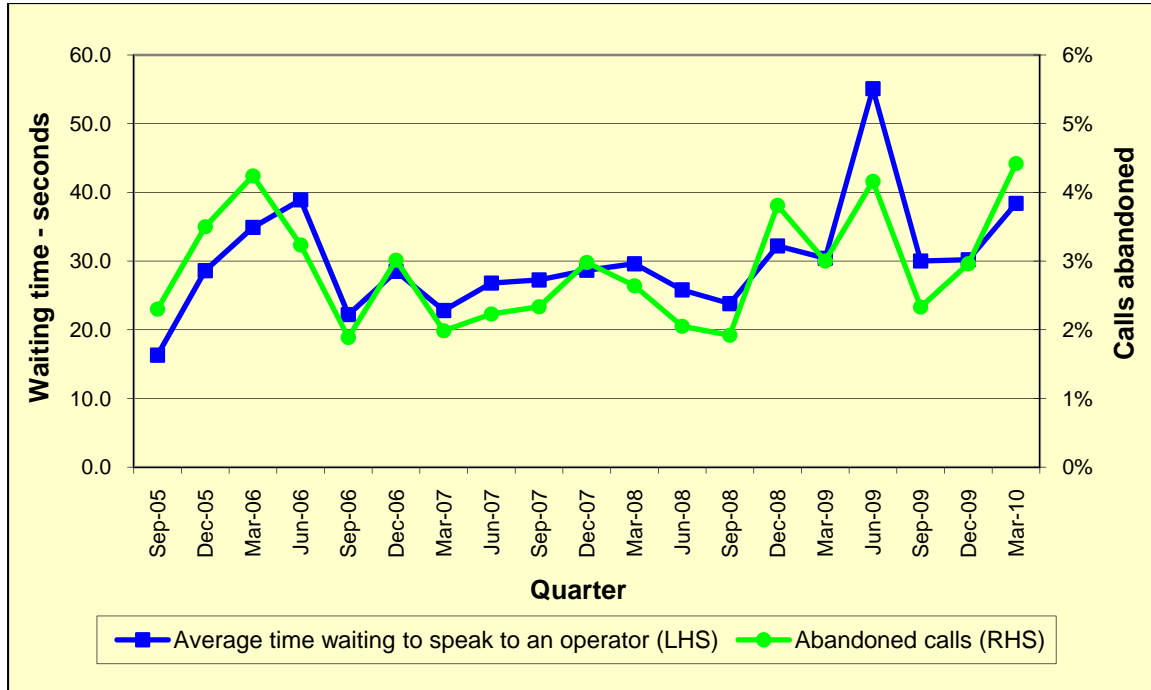
- *The average waiting time to speak to an operator and the number of abandoned calls increased;*
- *The number of new connections decreased while the number of reconnections increased;*
- *The number of faulty streetlights increased while the percentage of faulty streetlights not repaired by the agreed date decreased; and*
- *The number of customer service complaints received increased.*

Ergon Energy reported that although network call centre performance during the March quarter 2010 reflected the expected seasonal increase, it was particularly impacted by Tropical Cyclone Ului in March 2010.

Figure 13 shows that Ergon Energy customers had to wait an average of 38.4 seconds to speak to an operator during the March quarter 2010. This is a significant increase from the December

quarter 2009, when the average waiting time was 30.2 seconds. Correspondingly, the percentage of calls abandoned increased from 3.0% in the December quarter 2009 to 4.4% in the March quarter 2010.

Figure 13: Waiting time to speak to an operator and abandoned calls: Quarterly



Note: Ergon Energy includes both distribution and retail related calls in this measure as Ergon Energy's National Contact Centre is a shared retail and distribution function.

Figure 14 provides information relating to the number of new connections and reconnections undertaken by Ergon Energy and the timeliness in which those connections occurred. The total number of new connections made by Ergon Energy decreased from 4,085 in the December quarter 2009 to 3,259 in the March quarter 2010, reflecting seasonality that is supported by historical data over the past three years.

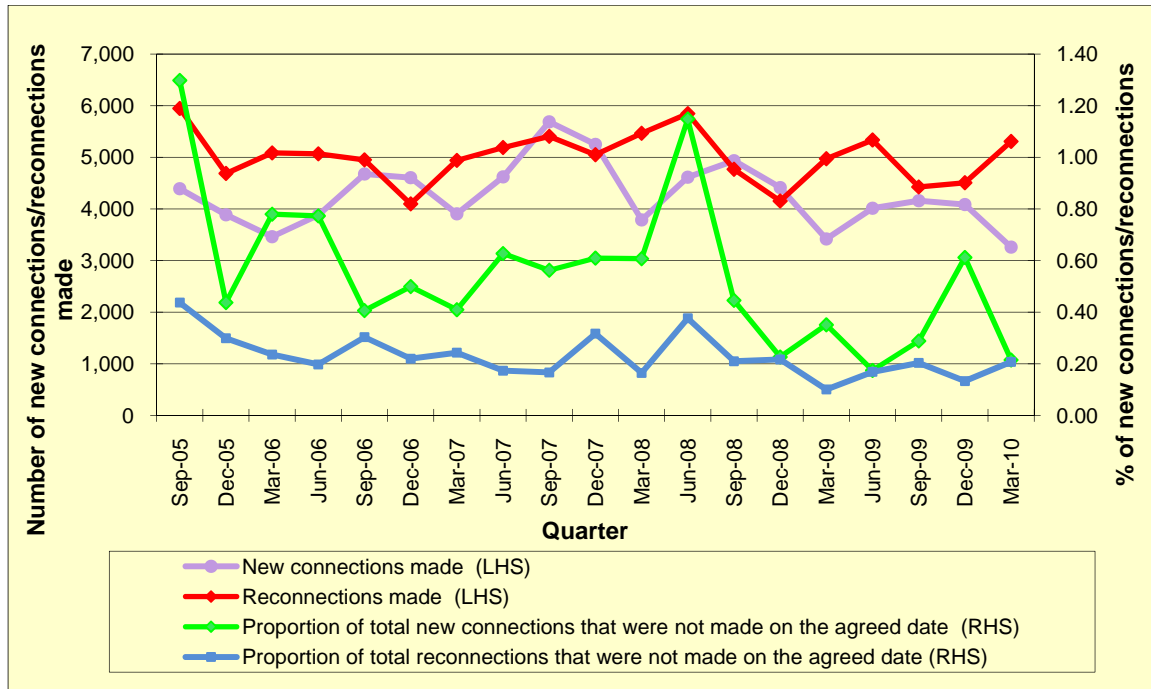
The percentage of new connections not made by the agreed date decreased from 0.6% in the December quarter 2009 to 0.2% in the March quarter 2010, while the average time taken for new connections (two days) remained unchanged and on par with Ergon Energy's internal goal (and the long-run average) of two days.

Figure 14 also shows that the number of reconnections increased from 4,508 in the December quarter 2009 to 5,308 in the March quarter 2010.

The percentage of reconnections not made by the agreed date increased from 0.1% in the previous quarter to 0.2% in the March quarter 2010.

The average time taken to reconnect a premise during the March quarter 2010 was one day, unchanged from the previous quarter.

Figure 14: New connections and reconnections: Quarterly



In the March quarter 2010, 1,190 faulty streetlights were reported within Ergon Energy’s distribution area of which 297 (or 25.0%) were not repaired by the agreed date. This compares with 783 faulty streetlights of which 214 (or 27.3%) were not repaired by the agreed date in the December quarter 2009. Ergon Energy advised that its performance for this measure in the March quarter 2010 was the result of focusing on repairing major assets after experiencing adverse weather events such as Tropical Cyclone Ului and flooding.

The average time of 6.3 days to repair faulty streetlights (including the day of notification) remained unchanged from the December quarter 2009.

Figure 15 shows that Ergon Energy did not provide the required notice of a planned interruption to supply 10.6% of the time in the March quarter 2010. This was an increase from 8.4% recorded in the December quarter 2009. Ergon Energy indicated that its March quarter 2010 performance was impacted by the volume of priority defect work affecting single customer transformers, which was able to be rescheduled at an earlier time and with consent from customers (e.g. on the day work is to commence). This resulted in Ergon Energy not meeting the two business day planned interruption notice period for some of these defects.

The number of planned interruptions that exceeded the length of time specified in Ergon Energy’s notification decreased marginally from 28.9% in the December quarter 2009 to 28.8% in the March quarter 2010.

Figure 15: Planned Interruptions: Quarterly

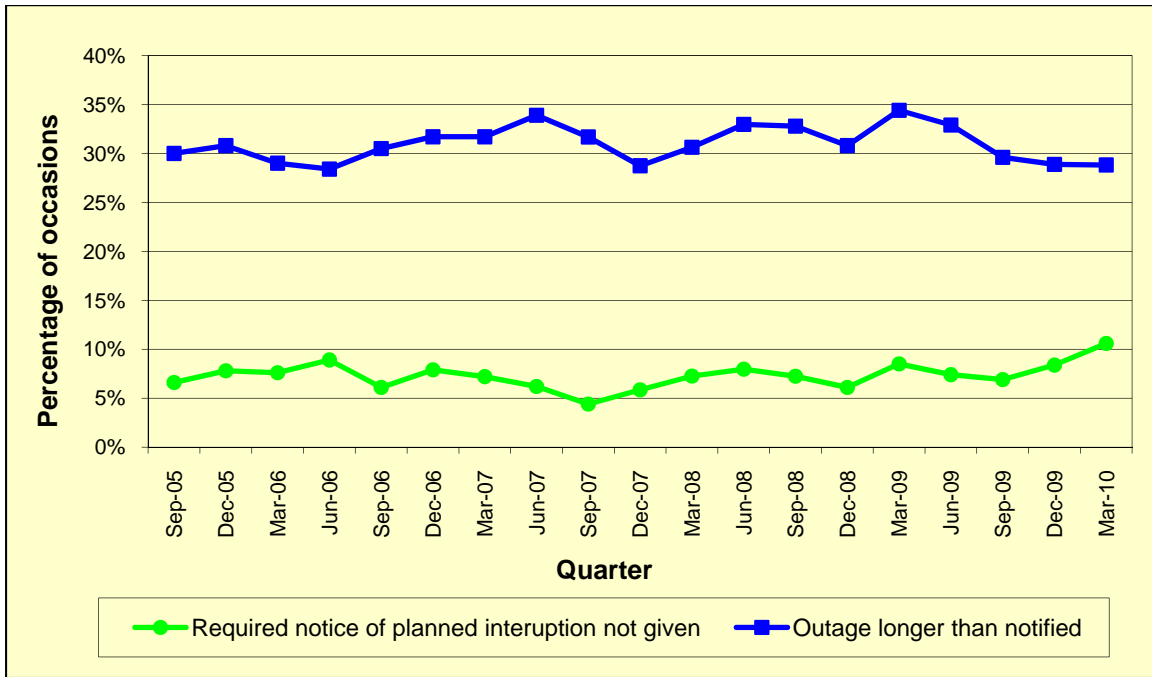


Figure 16 shows that the total number of customer service complaints received by Ergon Energy increased from 924 in the December quarter 2009 to 1,032 in the March quarter 2010. The increase in customer service complaints was largely attributable to increases in complaints regarding field activity, Ergon Energy’s National Contact Centre, meter readings and “other” activities.

Figure 16: Customer Service Complaints: Quarterly

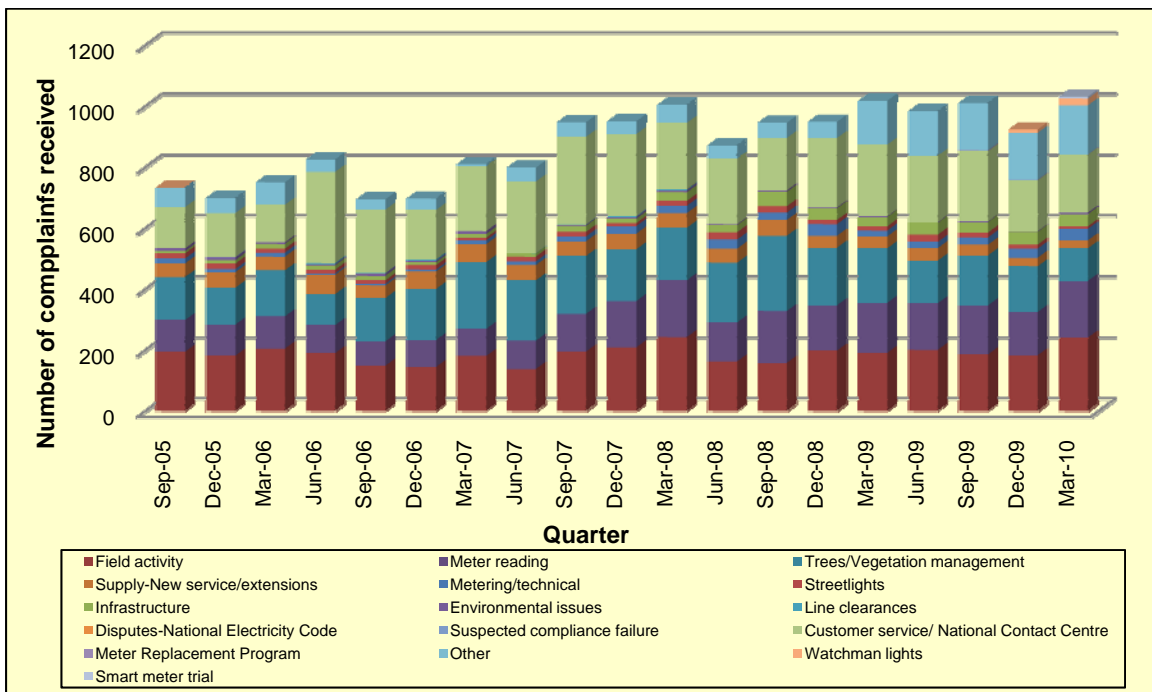


Figure 17 shows that there was an increase in the time taken to resolve customer complaints in the March quarter 2010 (3.4 days) compared to the December quarter 2009 (3.0 days).

Figure 17: Average time taken to resolve customer service complaints: Quarterly

