

Electricity Industry Code Minimum Service Standards & Guaranteed Service Levels Quarterly Report

April – June 2008

Ergon Energy Corporation Limited



everything in our power



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Administrative Data

ITEM NO	MEASURE	UNIT	VALUE
1.1	<i>Distribution Network Service Provider</i>	Name	Ergon Energy Corporation Limited
1.2	<i>First day of reporting period</i>	Date	01-04-2008
1.3	<i>Last day of reporting period</i>	Date	30-06-2008

Network Performance

(Reporting obligations under clause 2.6.2(a)(i) (A), (B), (C), (D) & (E) of the Queensland Electricity Industry Code, Third Edition effective 1 July 2007 ('The Code'))

Reliability Measures – 3 months to June 2008

(Results effective as at 15 July 2008, for the period ending 30 June 2008)

ITEM NO.	MEASURE	UNIT	ACTUAL NETWORK PERFORMANCE	NETWORK PERFORMANCE LESS EXCLUSIONS
	<i>System Average Interruption Duration Index (SAIDI)</i>		<i>(minutes)</i>	
	<i>Distribution system – total</i>			
	Urban	Minutes	34.78	28.75
	Short Rural	Minutes	91.84	88.93
	Long Rural	Minutes	186.11	183.45
	<i>Distribution system – planned</i>			
	Urban	Minutes	13.06	13.06
	Short Rural	Minutes	33.42	33.42
	Long Rural	Minutes	81.21	81.21
	<i>Distribution system – unplanned</i>			
	Urban	Minutes	21.72	15.69
	Short Rural	Minutes	58.42	55.51
	Long Rural	Minutes	104.90	102.24
	<i>System Average Interruption Frequency Index (SAIFI)</i>		<i>(number)</i>	
	<i>Distribution system – total</i>			
	Urban	Number	0.48	0.31
	Short Rural	Number	0.66	0.61
	Long Rural	Number	1.42	1.40
	<i>Distribution system – planned</i>			
	Urban	Number	0.07	0.07
	Short Rural	Number	0.15	0.15
	Long Rural	Number	0.33	0.33
	<i>Distribution system – unplanned</i>			
	Urban	Number	0.41	0.24
	Short Rural	Number	0.52	0.46
	Long Rural	Number	1.09	1.06

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Reliability Measures – Financial Year to Date (1 July 2007 to 30 June 2008)

(Results effective as at 15 July 2008, for the period ending 30 June 2008)

<u>ITEM NO.</u>	<u>MEASURE</u>	<u>UNIT</u>	<u>ACTUAL NETWORK PERFORMANCE</u>	<u>NETWORK PERFORMANCE LESS EXCLUSIONS</u>
	System Average Interruption Duration Index (SAIDI)		(minutes)	
	<i>Distribution system – total</i>			
	Urban	Minutes	262.40	177.83
	Short Rural	Minutes	583.38	453.87
	Long Rural	Minutes	1188.78	1010.78
	<i>Distribution system – planned</i>			
	Urban	Minutes	51.06	50.66
	Short Rural	Minutes	119.27	117.21
	Long Rural	Minutes	247.01	241.66
	<i>Distribution system – unplanned</i>			
	Urban	Minutes	211.34	127.17
	Short Rural	Minutes	464.10	336.66
	Long Rural	Minutes	941.77	769.12
	System Average Interruption Frequency Index (SAIFI)		(number)	
	<i>Distribution system – total</i>			
	Urban	Number	2.52	1.85
	Short Rural	Number	4.23	3.49
	Long Rural	Number	7.17	6.39
	<i>Distribution system – planned</i>			
	Urban	Number	0.25	0.25
	Short Rural	Number	0.62	0.60
	Long Rural	Number	1.20	1.16
	<i>Distribution system – unplanned</i>			
	Urban	Number	2.27	1.61
	Short Rural	Number	3.61	2.89
	Long Rural	Number	5.97	5.24

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Details of Interruptions excluded 3 Months to June 2008

(Results effective as at 15 July 2008, for the period ending 30 June 2008)

	Urban	SR	LR
System Average Interruption Duration Index (SAIDI)			
<i>(minutes)</i>			
(a) an interruption of a duration of one minute or less;	0.00	0.00	0.00
(b) an interruption resulting from:			
(i) load shedding due to a shortfall in generation;	0.00	0.00	0.00
(ii) a direction by NEMMCO, a system operator or any other body exercising a similar function under the Electricity Act, National Electricity Code or National Electricity Law;	0.00	0.00	0.00
(iii) automatic shedding of load under the control of under frequency relays following the occurrence of a power system under-frequency condition described in the power system security and reliability standards; or	0.00	0.00	0.00
(iv) a failure of the shared transmission grid; or	5.39	1.67	0.49
(v) a direction by a police officer or another authorised person exercising powers in relation to public safety;	0.00	0.00	0.00
(c) any interruption to the supply of electricity on a distribution entity's supply network which commences on a major event day; and	0.00	0.00	0.00
(d) an interruption caused by a customer's electrical installation or failure of that electrical installation.	0.64	1.24	2.17
Total SAIDI for all Exclusion Events	6.03	2.91	2.66
System Average Interruption Frequency Index (SAIFI)			
<i>(number)</i>			
(a) an interruption of a duration of one minute or less;	0.00	0.00	0.00
(b) an interruption resulting from:			
(i) load shedding due to a shortfall in generation;	0.00	0.00	0.00
(ii) a direction by NEMMCO, a system operator or any other body exercising a similar function under the Electricity Act, National Electricity Code or National Electricity Law;	0.00	0.00	0.00
(iii) automatic shedding of load under the control of under frequency relays following the occurrence of a power system under-frequency condition described in the power system security and reliability standards; or	0.00	0.00	0.00
(iv) a failure of the shared transmission grid; or	0.16	0.05	0.02
(v) a direction by a police officer or another authorised person exercising powers in relation to public safety;	0.00	0.00	0.00
(c) any interruption to the supply of electricity on a distribution entity's supply network which commences on a major event day; and	0.00	0.00	0.00
(d) an interruption caused by a customer's electrical installation or failure of that electrical installation.	0.00	0.00	0.01
Total SAIFI for all Exclusion Events	0.17	0.06	0.02

Note: Ergon Energy does not currently record momentary (<1 minute) outages.

Details of Interruptions excluded for the Financial Year to Date (1 July 2007 to 30 June 2008)

(Results effective as at 15 July 2008, for the period ending 30 June 2008)

	Urban	SR	LR
System Average Interruption Duration Index (SAIDI) (minutes)			
(a) an interruption of a duration of one minute or less;	0.00	0.00	0.00
(b) an interruption resulting from:			
(i) load shedding due to a shortfall in generation;	0.04	0.24	0.21
(ii) a direction by NEMMCO, a system operator or any other body exercising a similar function under the Electricity Act, National Electricity Code or National Electricity Law;	0.00	0.00	0.00
(iii) automatic shedding of load under the control of under frequency relays following the occurrence of a power system under-frequency condition described in the power system security and reliability standards; or	0.00	0.00	0.00
(iv) a failure of the shared transmission grid; or	5.62	2.42	1.34
(v) a direction by a police officer or another authorised person exercising powers in relation to public safety; ¹	0.89	3.38	19.36
(c) any interruption to the supply of electricity on a distribution entity's supply network which commences on a major event day; and ²	73.86	116.62	139.12
(d) an interruption caused by a customer's electrical installation or failure of that electrical installation.	4.17	6.84	17.98
Total SAIDI for all Exclusion Events	84.57	129.51	178.00
System Average Interruption Frequency Index (SAIFI) (number)			
(a) an interruption of a duration of one minute or less;	0.00	0.00	0.00
(b) an interruption resulting from:			
(i) load shedding due to a shortfall in generation;	0.00	0.01	0.02
(ii) a direction by NEMMCO, a system operator or any other body exercising a similar function under the Electricity Act, National Electricity Code or National Electricity Law;	0.00	0.00	0.00
(iii) automatic shedding of load under the control of under frequency relays following the occurrence of a power system under-frequency condition described in the power system security and reliability standards; or	0.00	0.00	0.00
(iv) a failure of the shared transmission grid; or	0.19	0.10	0.11
(v) a direction by a police officer or another authorised person exercising powers in relation to public safety;	0.00	0.00	0.00
(c) any interruption to the supply of electricity on a distribution entity's supply network which commences on a major event day; and	0.45	0.59	0.61
(d) an interruption caused by a customer's electrical installation or failure of that electrical installation.	0.02	0.03	0.04
Total SAIFI for all Exclusion Events	0.67	0.74	0.78

Note: Ergon Energy does not currently record momentary (<1 minute) outages.

Ergon Energy has made the following revision to the previously reported statistics provided in the MSS & GSL Quarterly Report January – March 2008:

¹ (v) a direction by a police officer or another authorised person exercising powers in relation to public safety:

Urban SAIDI : 0.89 (previously 19.36)

Long Rural SAIDI 19.36 (previously 0.89)

² Following the annual review of outages and reliability results for the 2007/08 year, Ergon Energy has recently identified an additional Major Event Day (MED) which impacts reliability figures previously reported in the MSS & GSL Quarterly Report January – March 2008.

Review and correction of details of an outage affecting approximately 600 customers on the 12th of February 2008, has resulted in the daily SAIDI value exceeding the 2007-08 TMED threshold of 9.94 system minutes. Year to date SAIDI and SAIFI results to 30 June 2008 have been adjusted to incorporate the additional MED.

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Description of any major event days

Ergon Energy registered no Major Event Days (MED) during the June quarter using the 2.5 beta exclusion event method, which classifies a MED to be any day with a daily SAIDI value greater than the 2007-08 MED Threshold (TMED) of 9.94 system minutes.

However, following the recent annual review of outages and reliability results for the 2007/08 year, Ergon Energy identified an additional MED impacting reliability figures previously reported in the MSS & GSL Quarterly Report January – March 2008.

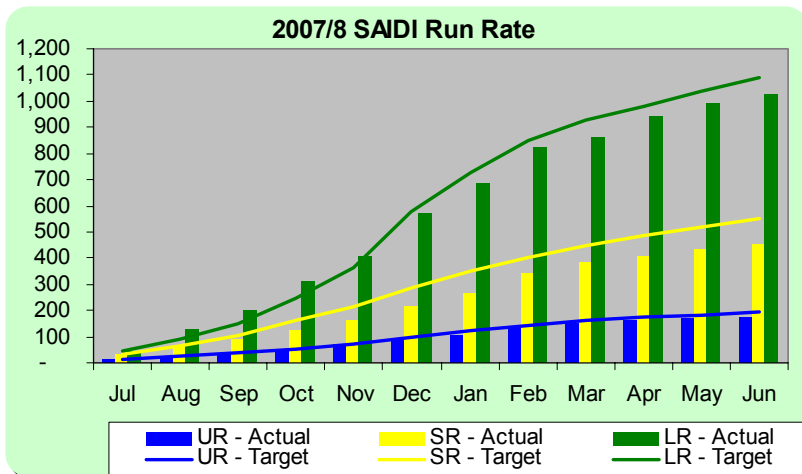
Review and correction of details of an outage affecting approximately 600 customers on the 12th of February 2008, has resulted in the daily SAIDI value exceeding the 2007-08 TMED threshold of 9.94 system minutes. Adjustments have been made to incorporate the additional MED in the reliability results to 30 June 2008. The additional MED on the 12th of February increases the total count of MEDs to a record high of 8 for the financial year.

Explanation of reasons for exceeding minimum service standards and proposals to improve performance

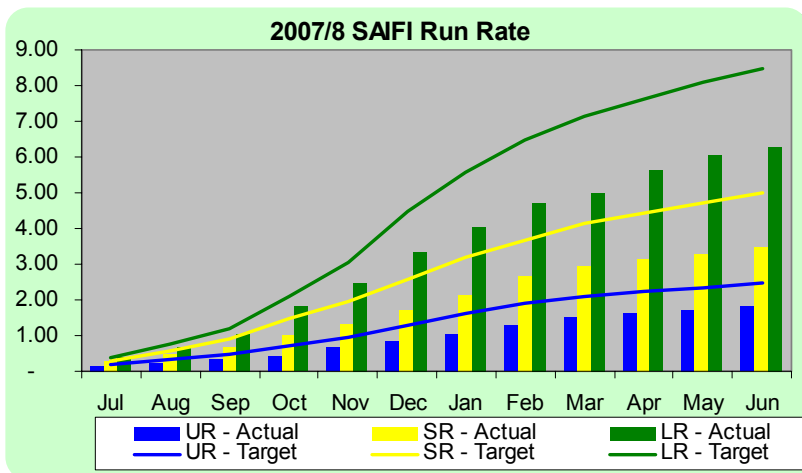
Ergon Energy's 2007-08 reliability performance for both SAIDI and SAIFI are favourable to the 2007-08 MSS targets for all three feeder categories. While the overall network reliability performance was influenced by heavy rains and serious flooding in the tropics during the monsoonal season, the favourable overall network performance results are a product of relatively benign weather conditions during the rest of the year coupled with a strong performance in the delivery of network maintenance and capital works.

SAIDI and SAIFI Run Rate Graphs for the Financial Year to Date

(Results effective as at 15 July 2008, for the period ending 30 June 2008)



Feeder Type	SAIDI Network Performance less MSS exclusions (Actual)	SAIDI MSS Run Rate Target
Urban (UR)	177.83	195
Short Rural (SR)	453.87	550
Long Rural (LR)	1010.78	1090



Feeder Type	SAIFI Network Performance less MSS exclusions (Actual)	SAIFI MSS Run Rate Target
Urban (UR)	1.85	2.50
Short Rural (SR)	3.49	5.00
Long Rural (LR)	6.39	8.50

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Guaranteed Service Levels (GSLs)

(Reporting obligations under clause 2.6.2(a)(ii) (A), (B) & (C) of The Code)

Valid GSL Claims – Claim Type Breakdown for the Financial Year to Date (1 July 2007 to 30 June 2008)³

Yearly Breakdown of Valid GSL Claims for Ergon Energy – 2007/2008 Financial Year													
Type of GSL	July	August	September	October	November	December	January	February	March	April	May	June	Cumulative Total
Planned Interruption (Bus)	1	0	0	3	1	1	1	0	0	1	0	5	13
Planned Interruption (Res)	13	9	8	20	3	8	3	4	8	16	9	37	138
Connection	12	6	15	9	12	9	4	6	12	7	39	13	144
Wrongful Disconnection	12	12	22	18	25	17	10	13	22	18	15	15	199
Reconnection	3	1	1	2	3	3	2	1	3	1	5	5	30
Hot Water Supply	0	0	1	1	0	2	1	0	0	2	0	0	7
Appointments	2	0	2	7	3	0	2	0	0	5	1	1	23
Reliability - Frequency	0	0	0	0	0	0	0	0	0	15	23	0	38
Reliability - Duration	0	0	0	21	1	14	8	2	1	0	0	0	47
Monthly Total	43	28	49	81	48	54	31	26	46	65	92	76	639

³ During the June 2008 quarter, Ergon Energy experienced a relatively high volume of GSL claims which is in part attributed to a number of extraordinary issues occurring during the quarter, including the payments for interruption frequency, and the flow-on impacts from EBA industrial action.

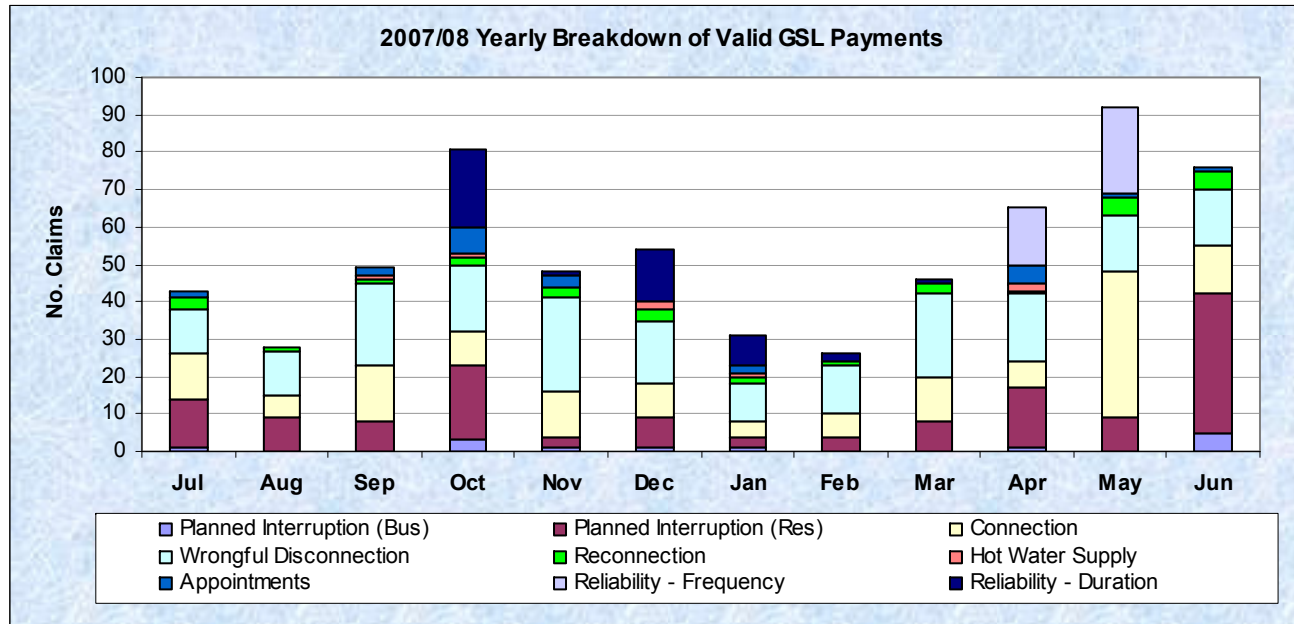
The interruption-frequency GSLs paid during the quarter (38 GSL claims) followed several outages on a high voltage feeder emanating from the Yeppoon zone substation, which resulted in a select number of customers supplied by the feeder exceeding the Electricity Industry Code required threshold of allowable interruptions to supply before a customer is eligible for an interruption frequency GSL.

In response to the Yeppoon outages, Ergon Energy arranged community forums and sent a letter of apology to all 2,895 customers in the Kinka Beach, Emu Park, Zilzie, Tanby, Coowonga and Keppel Sands area supplied by the feeder. Ergon Energy has committed to improve reliability in the short term with the installation of voltage regulators at Tungumul and the replacement of a high voltage pole mounted switch near Emu Park. Further to this, two new sub-station projects are currently underway in the Rockhampton area to meet the increasing demand and high growth rates in the Capricornia Coast region. In particular, one of the new sub-station projects (\$15 million sub-station at Tanby) is expected to provide longer term reliability improvements to customers currently supplied by the Yeppoon feeder.

Along with the interruption-frequency GSLs, EBA industrial action which involved a number of stop work days during the June quarter is also thought in part to be contributing to higher claims in some GSL categories. Connection GSLs in particular appear to have been affected with GSL claims peaking in the month of May, during which a number of strike days occurred. While connection GSL claims have increased, it should be noted the claims represent a very small proportion of total connections. Despite the increase in GSL claims, on an overall basis 99% of connections were completed on time during the June 2008 quarter.

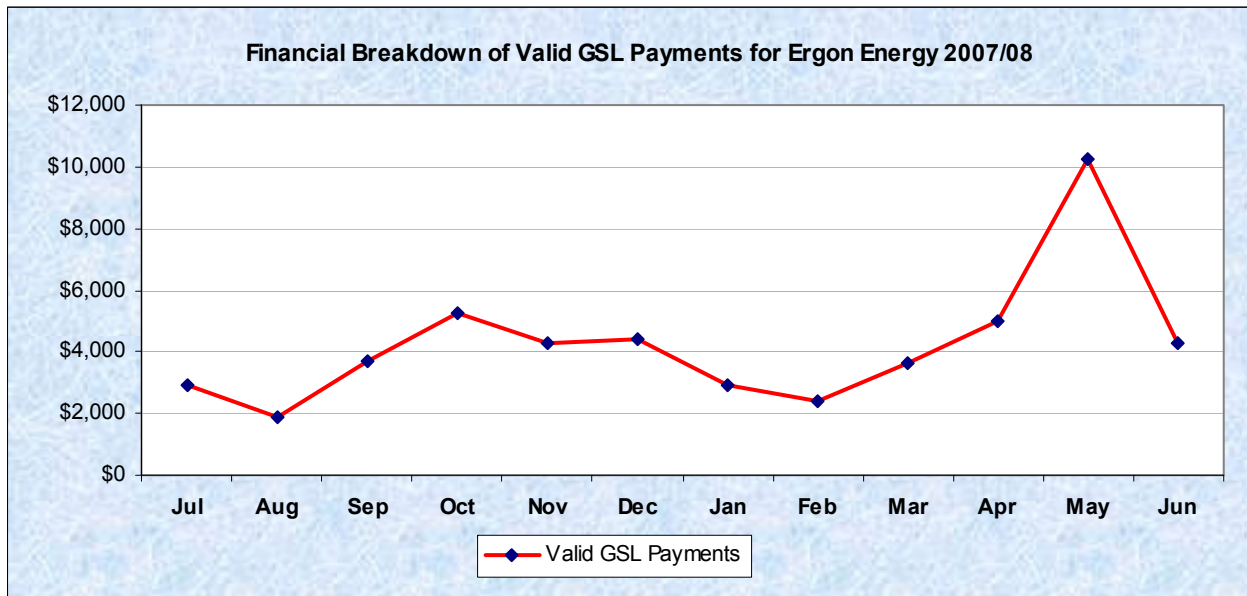
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Valid GSL Claims – Claim Type Breakdown for the Financial Year to Date (1 July 2007 to 30 June 2008) (continued)



Valid GSL Claims – Financial Claim Breakdown for the Financial Year to Date (1 July 2007 to 30 June 2008)

Financial Breakdown of Valid GSL Payments for Ergon Energy - 2007/2008 Financial Year													
Type of GSL	July	August	September	October	November	December	January	February	March	April	May	June	Cumulative Total
Planned Interruption (Bus)	\$50.00	\$0.00	\$0.00	\$150.00	\$50.00	\$50.00	\$50.00	\$0.00	\$0.00	\$50.00	\$0.00	\$250.00	\$650.00
Planned Interruption (Res)	\$260.00	\$180.00	\$160.00	\$400.00	\$60.00	\$160.00	\$60.00	\$80.00	\$160.00	\$320.00	\$180.00	\$740.00	\$2,760.00
Connection	\$1,210.00	\$480.00	\$1,080.00	\$840.00	\$1,320.00	\$880.00	\$720.00	\$800.00	\$1,080.00	\$1,000.00	\$6,280.00	\$1,560.00	\$17,250.00
Wrongful Disconnection	\$1,200.00	\$1,200.00	\$2,200.00	\$1,800.00	\$2,500.00	\$1,700.00	\$1,000.00	\$1,300.00	\$2,200.00	\$1,800.00	\$1,500.00	\$1,500.00	\$19,900.00
Reconnection	\$120.00	\$40.00	\$40.00	\$80.00	\$120.00	\$280.00	\$360.00	\$40.00	\$120.00	\$40.00	\$400.00	\$200.00	\$1,840.00
Hot Water Supply	\$0.00	\$0.00	\$120.00	\$40.00	\$0.00	\$240.00	\$40.00	\$0.00	\$0.00	\$400.00	\$0.00	\$0.00	\$840.00
Appointments	\$80.00	\$0.00	\$80.00	\$280.00	\$120.00	\$0.00	\$80.00	\$0.00	\$0.00	\$200.00	\$40.00	\$40.00	\$920.00
Reliability - Frequency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,200.00	\$1,840.00	\$0.00	\$3,040.00
Reliability - Duration	\$0.00	\$0.00	\$0.00	\$1,680.00	\$80.00	\$1,120.00	\$640.00	\$160.00	\$80.00	\$0.00	\$0.00	\$0.00	\$3,760.00
Monthly Total	\$2,920.00	\$1,900.00	\$3,680.00	\$5,270.00	\$4,250.00	\$4,430.00	\$2,950.00	\$2,380.00	\$3,640.00	\$5,010.00	\$10,240.00	\$4,290.00	\$50,960.00

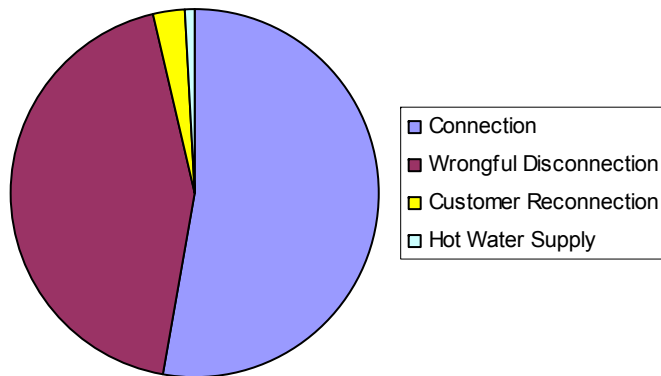


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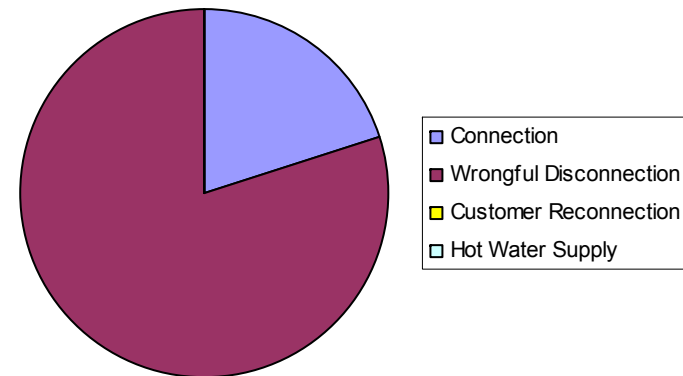
Corporation Initiated GSL Claims Breakdown

Type of GSL	April 2008 to June 2008				Financial Year to Date			
	Number of Claims Raised	Number of Claims Accepted (Valid GSL)	Number of Claims Investigated and Not Paid	Amount Paid	Number of Claims Raised	Number of Claims Accepted (Valid GSL)	Number of Claims Investigated and Not Paid	Amount Paid
Connection	59	58	1	\$8,760.00	146	140	6	\$17,040.00
Wrongful Disconnection	52	48	4	\$4,800.00	233	199	34	\$19,900.00
Reconnection	3	3	0	\$120.00	16	12	4	\$560.00
Hot Water Supply	1	1	0	\$320.00	8	6	2	\$760.00
Total	115	110	5	\$14,000.00	403	357	46	\$38,260.00

Corporation Initiated
Number of Valid GSL Claims - Apr to Jun 2008



Corporation Initiated
Number of GSL Claims Not Paid - Apr to Jun 2008



Corporation Initiated GSL Claims – Rejection Reasons, April 2008 to June 2008

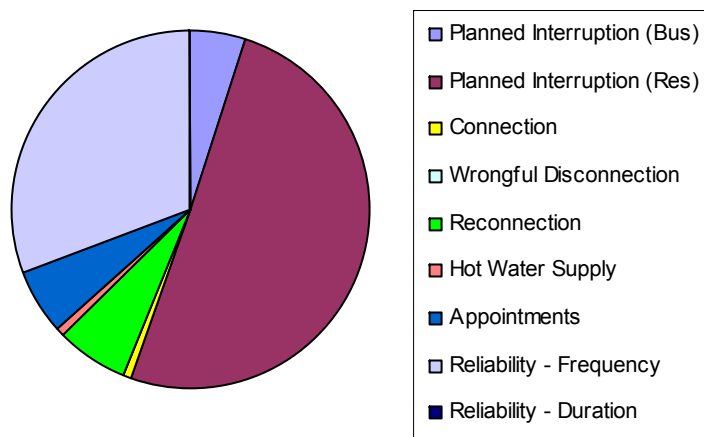
There were 5 Corporation Initiated GSL claims investigated and not paid due to:

- 4 x Wrongful Disconnections
 - 1 x Made with retired account number
 - 2 x Premise details under investigation
 - 1 x correct Disconnection
- 1 x Connection
 - 1 x already paid through another GSL claim

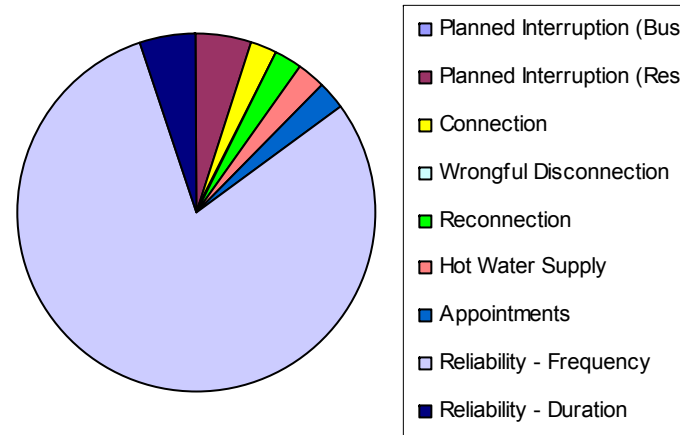
Customer Initiated GSL Claims Breakdown

Type of GSL	April 2008 to June 2008				Financial Year to Date			
	Number of Claims Raised	Number of Claims Accepted (Valid GSL)	Number of Claims Investigated and Not Paid	Amount Paid	Number of Claims Raised	Number of Claims Accepted (Valid GSL)	Number of Claims Investigated and Not Paid	Amount Paid
Planned Interruption (Bus)	6	6	0	\$300.00	17	13	4	\$650.00
Planned Interruption (Res)	64	62	2	\$1,240.00	149	138	11	\$2,760.00
Connection	2	1	1	\$80.00	9	4	5	\$210.00
Wrongful Disconnection	0	0	0	\$0.00	0	0	0	\$0.00
Reconnection	9	8	1	\$520.00	26	18	8	\$1,280.00
Hot Water Supply	2	1	1	\$80.00	2	1	1	\$80.00
Appointments	8	7	1	\$280.00	26	23	3	\$920.00
Reliability - Frequency	70	38	32	\$3,040.00	70	38	32	\$3,040.00
Reliability - Duration	2	0	2	\$0.00	49	47	2	\$3,760.00
Total	163	123	40	\$5,540.00	348	282	66	\$12,700.00

Customer Initiated
Number of Valid GSL Claims - Apr to Jun 2008



Customer Initiated
Number of GSL Claims Not Paid - Apr to Jun 2008



Customer Initiated GSL Claims – Rejection Reasons, April 2008 to June 2008

There were 40 Customer Initiated GSL claims investigated and not paid due to -

- 32 Reliability of Supply – Frequency
 - 32 x Customers did not exceed Government regulated threshold
- 2 Reliability of Supply - Duration
 - 1 x Customer was notified by Area Manager
 - 1 x Customer was part of planned outage that went over time due to unforeseen circumstances (weather)
- 2 Planned Interruption - Residential
 - 2 x Customers were notified
- 1 Customer Reconnections
 - 1 x Not a valid GSL - should have been next day reconnection
- 1 Customer Connection
 - 1 x Customer connected within timeframe
- 1 Appointment
 - 1 x Customer was reconnected within 4hrs
- 1 Hot Water Supply
 - 1 x Customer advised people in household have increased, not valid

Please direct queries or feedback on this report to:

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