

## ADDENDUM to the December Quarter 2008 Service Quality Report

Changes are highlighted in yellow.

### ENERGEX

#### 1. Reliability Measures

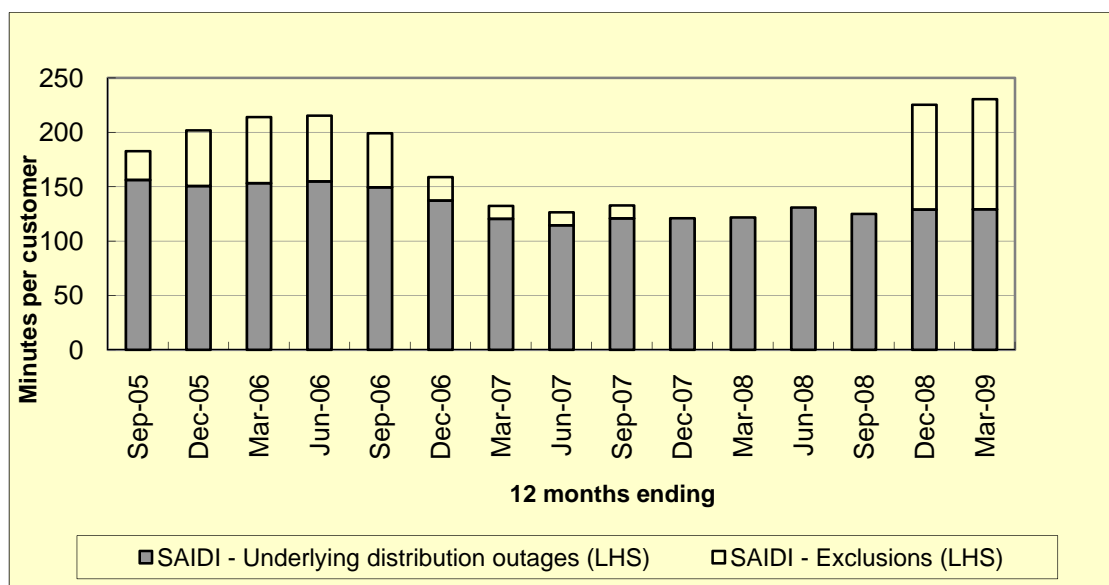
- *Underlying reliability of supply marginally worsened. The total number of reliability of supply complaints more than doubled.*

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 129 minutes in the twelve months ending 31 December 2008. There was a high level of exclusion events<sup>1</sup> 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**



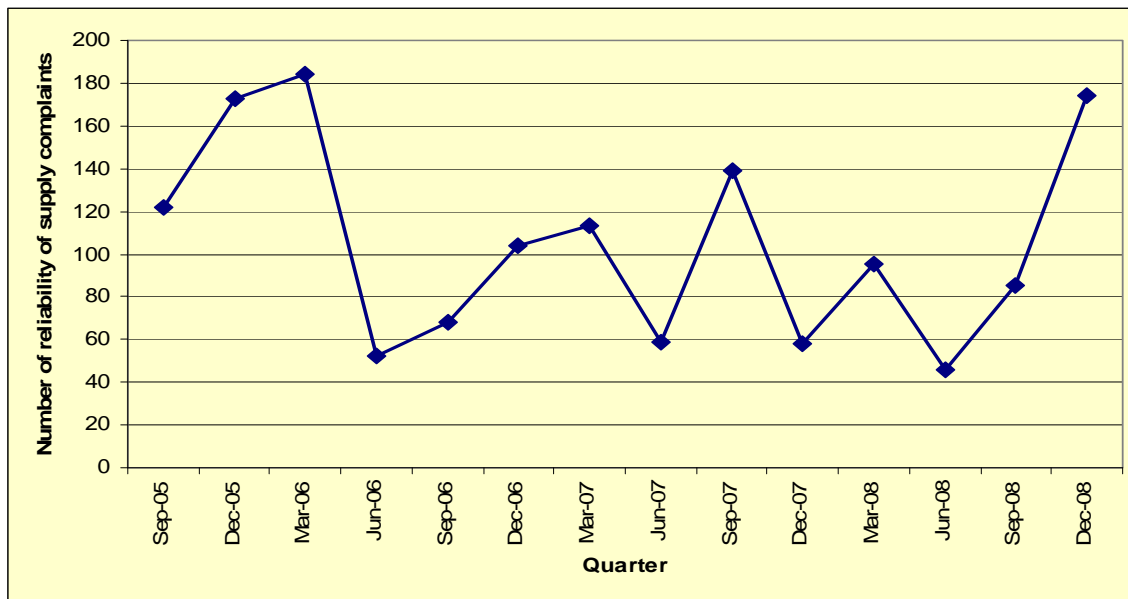
The underlying duration of distribution-related outages (excluding MED) almost doubled, from 24.0 minutes in the September quarter 2008 to 44.5 minutes in the December quarter 2008. Energex

<sup>1</sup> 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.

attributed the significant deterioration in its reliability performance to the impact of the severe weather conditions experienced during the quarter<sup>2</sup>. 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 Energen increased significantly from 58 complaints in December 2007 to 174 complaints in December 2008. This is the worst result reported since March 2006. Energen 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 Energen 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 Energen, the December 2008 quarter result is considered the more normal of the two.

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