



ELECTRICITY DISTRIBUTION – SERVICE QUALITY PERFORMANCE FOR THE MARCH QUARTER 2008

Introduction

The Authority's *Electricity Distribution: Service Quality Reporting Guidelines* require Distribution Network Service Providers 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 the reporting and to facilitate nationally consistent reporting. The distributors 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 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 Nature of the Data

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, and 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, 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 distributor.

A Cautionary Note

The service quality measures collected by the Authority are not intended to allow comparison of the distributors 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

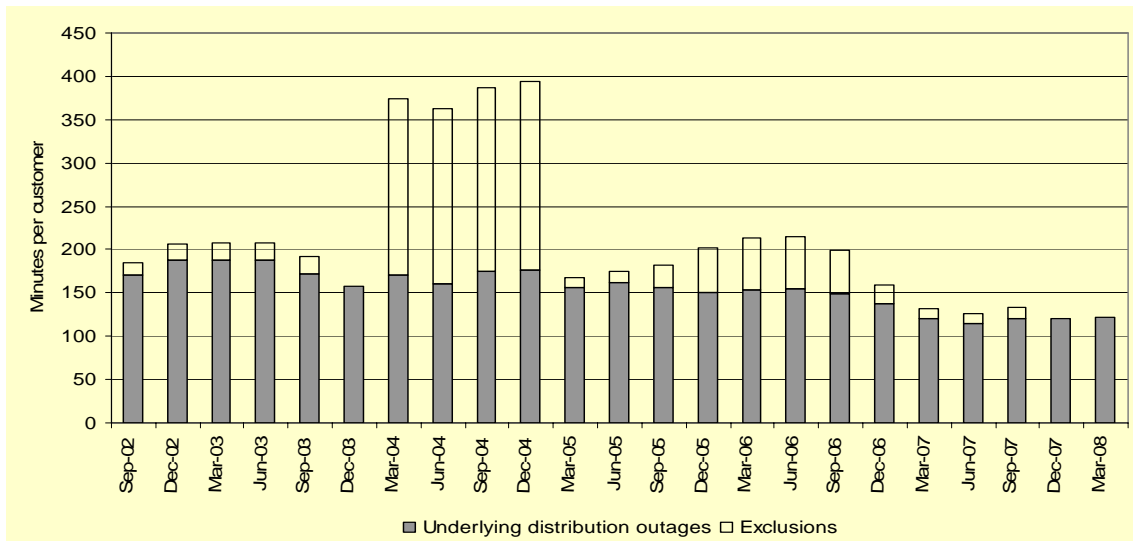
1. Reliability Measures

➤ *Underlying reliability remained relatively constant.*

The average duration of distribution-related outages improved from around 39.2 minutes in the December quarter 2007 to around 32 minutes in the March quarter 2008. The March quarter 2008 result was marginally higher than that experienced during the March quarter 2007 of 31.4 minutes.

For the 12 months to end March 2008, Energex customers experienced, on average, 1.45 distribution-related interruptions, leaving them without power for a total of 121.8 minutes. As shown in Figure 1, underlying distribution-related outages (shaded) for the March quarter 2008 were only 1 minute higher than during the 12 months to end December quarter 2007. No exclusion events were recorded during the March quarter 2008.

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



The total number of customer reliability complaints increased significantly from 58 complaints during the December quarter 2007 to 95 complaints during the March quarter 2008. Energex was not able to pin the causes of this increase down to any particular event or area which had experienced an increase in outages as the complaints recorded during this quarter encompassed a variety of issues.

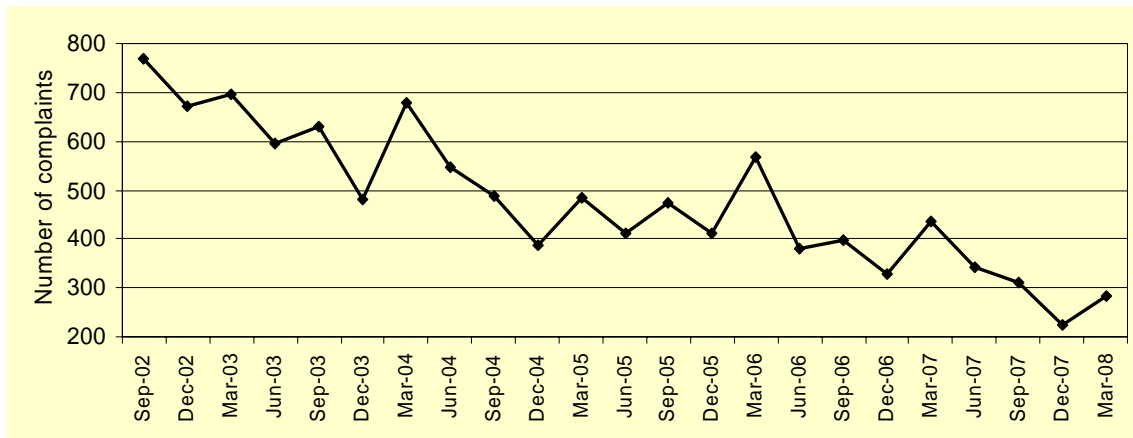
The average time taken to resolve reliability complaints during the March quarter was 1.9 days which is a significant improvement from the previous quarter's result of 3.2 days. Energex attributed the improvement to a higher percentage of complaints (64.2%) being resolved at the first point of contact during the March quarter 2008 compared to the December quarter 2007, when 51.7% of complaints were resolved at first point of contact.

Quality of Supply Measures

➤ *Quality of supply measures deteriorated.*

Total quality of supply complaints increased from the record best of 223 complaints recorded during the December quarter 2007 to 284 complaints during the March quarter 2008 as shown in Figure 2. Energex attributed the result to an increase in the number of low supply voltage complaints during the first two months of the quarter (January and February). Nevertheless, the result for the March quarter 2008 was still better than most previous quarters.

Figure 2: Total number of quality of supply complaints



The average time taken to fix technical supply faults increased during the March quarter 2008 to 29.7 days from a record best of 23.8 days during the December quarter 2007. This is the worst result recorded over the last four quarters. Energex attributed the deterioration to the inclusion of a small number of unresolved technical faults brought forward from the previous quarter to the March quarter 2008 and the incorrect inclusion of voltage investigation jobs by its design department. Energex stated that the incorrect inclusion of data has been addressed and should not re-occur in the future.

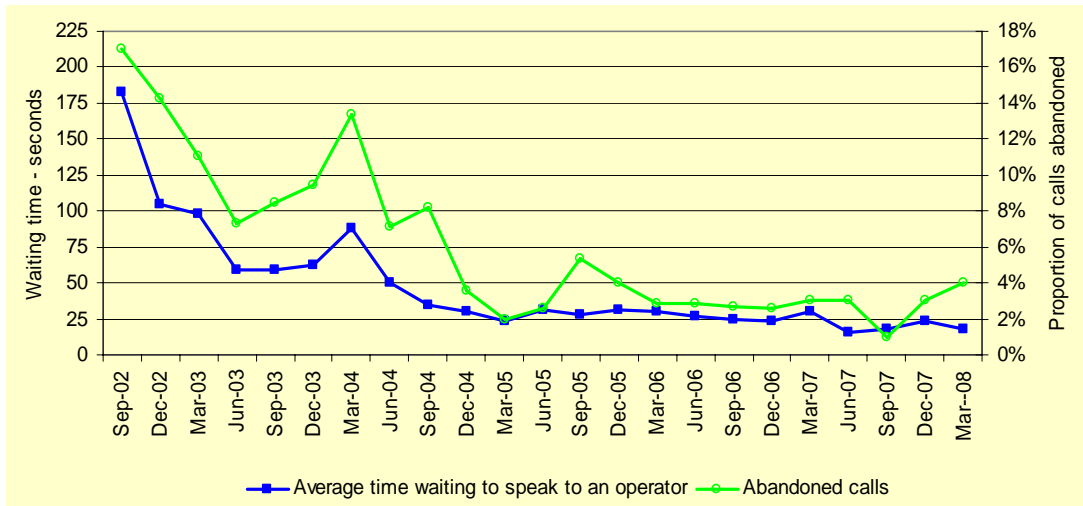
Customer Service Measures

➤ *Customer service measures show improvement.*

As shown in Figure 3, Energex customers had to wait, on average, 18 seconds to speak to an operator when calling the call centre during the March quarter 2008, which was an improvement from the 23 seconds recorded during the previous quarter.

The percentage of calls abandoned increased from 3.0% in the December quarter 2007 to 4.0% in the March quarter 2008. This result is roughly in line with previous results for this measure over the past two years, with the exception of the result for the September quarter 2007 which recorded a much lower percentage due to Energex employing additional temporary staff to deal with enquiries regarding the introduction of full retail competition (FRC).

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

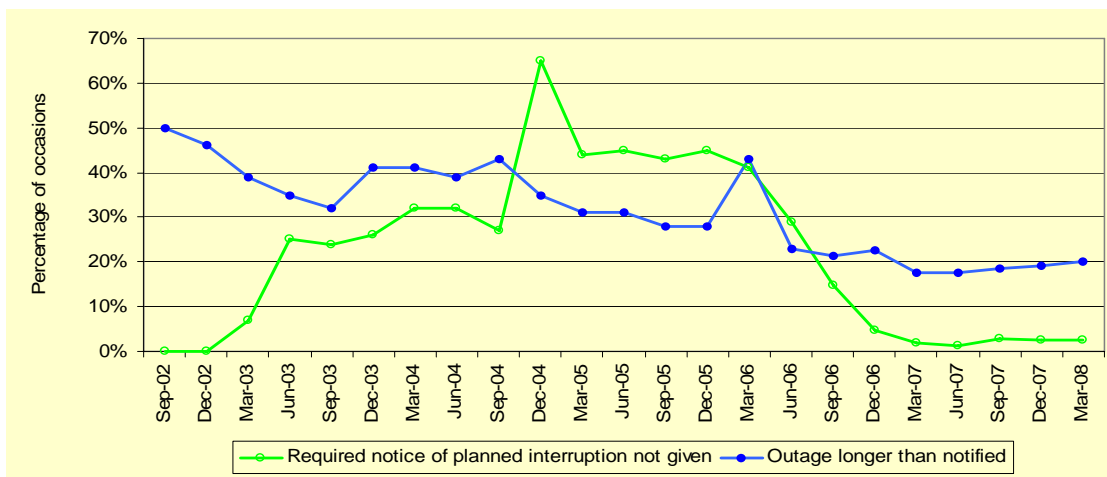


The percentage of new connections not made on the agreed date more than halved, from 4.3% in the December quarter 2007 to 2.0% during the March quarter 2008. The improvement was mainly due to fewer new connections being required during the March quarter 2008 (18% fewer than in the previous quarter).

The average time taken for new connections has reverted to the long-term trend level of around 4.1 hours during the March quarter 2008, down from 4.3 hours recorded for the December quarter 2007. The average time taken for re-connections remained close to the long-term trend level of around 4 hours during the March quarter 2008.

As shown in Figure 4, the number of occasions on which Energex did not provide the required notice of a planned interruption marginally improved, from 3% recorded in the December quarter 2007 to 2.6% during the March quarter 2008. However, the proportion of planned interruptions that exceeded the time specified in the notification deteriorated marginally, from 19.3% in the previous quarter to 20% in the March quarter 2008.

Figure 4: Insufficient notification of planned interruptions



The number of customer service complaints fell from 3,153 complaints during the December quarter 2007 to 2,832 complaints during the March quarter 2008, an 11% improvement in Energex's performance on this measure. The improvement was due to fewer complaints related to meter reading, timeliness of service delivery, staff behaviour, trees and streetlights.

Similarly, the average time taken to resolve customer service complaints fell from 1.87 days during the previous quarter to 1.75 days during the March quarter 2008. Energex attributed the improvement to the shorter time required to resolve complaints relating to staff behaviour, condition of worksite, timeliness of service delivery, trees and general events.

ERGON ENERGY

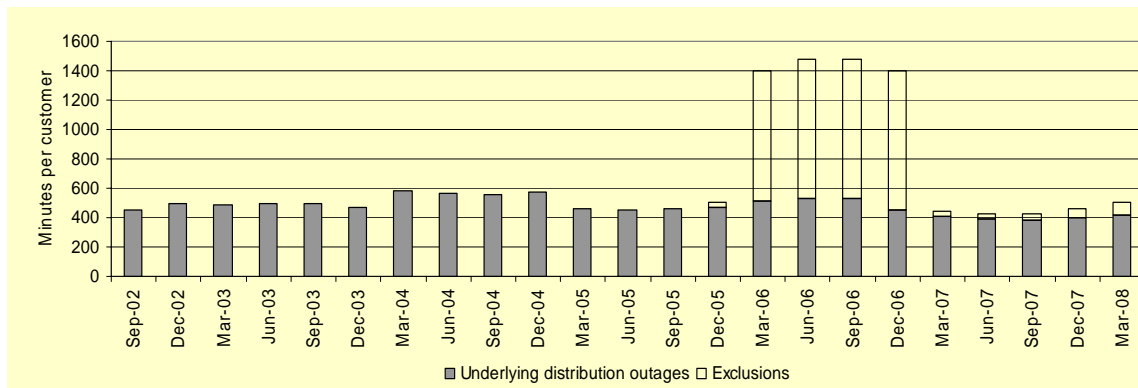
1. Reliability Measures

➤ *Underlying reliability deteriorated.*

The average duration of distribution-related outages improved from 179.8 minutes in the December quarter 2007 to 164.5 minutes in the March quarter 2008. The shorter duration of outages recorded for this quarter is in part the result of less severe storm activity during this storm season. However, two exclusion events, which occurred on the 8th and 15th of February 2008 respectively, also impacted on the results for this measure in the March quarter 2008.

In the 12 months to end March 2008, Ergon Energy’s customers experienced, on average, 3.7 distribution-related outages, leaving them without power for a total of 508 minutes. Removing the effect of exclusion events, the underlying duration of distribution-related outages (shaded) increased from 395.9 minutes for the 12 months ending December 2007 to 418.9 minutes for the 12 months ending March 2008, as shown in Figure 5. The high level of exclusions in 2006 were 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 total number of customer reliability complaints increased significantly from 430 complaints in the December quarter 2007 to 608 complaints in the March quarter 2008. Ergon Energy attributed this result to an increase in the number of unplanned outages resulting from the unfavourable weather conditions of the tropics. While reliability complaints in the previous quarter were also impacted by storm related outages, the heavy rains and serious floods experienced during the March quarter 2008 affected a larger geographical supply area and hence a larger volume of Ergon Energy’s customers for an extended period of time.

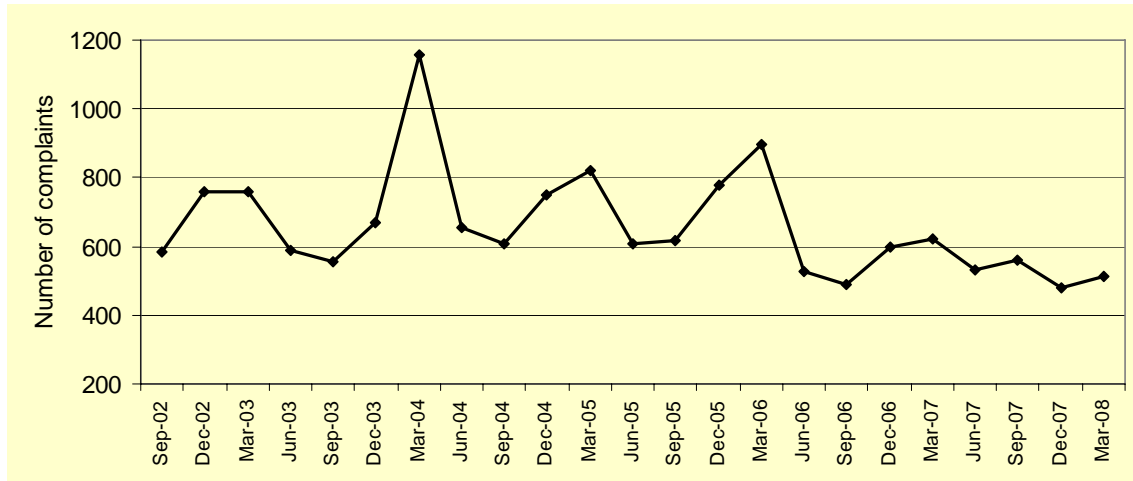
Despite the increased number of reliability complaints, the average time taken to resolve a reliability complaint improved from 1.7 days recorded for the previous quarter to 1.6 days during the March quarter 2008.

2. Quality of Supply Measures

➤ *Quality of supply measures deteriorated.*

The total number of technical quality of supply complaints increased from the record best of 480 complaints in the previous quarter to 514 complaints during the March quarter 2008, as shown in Figure 6. The increase was attributed to additional complaints related to low supply voltage, waveform distortion and other miscellaneous complaints.

Figure 6: Total number of quality of supply complaints



The average time taken to fix technical supply faults increased marginally from 66 days during the December quarter 2007 to 69 days during the March quarter 2008. However, the result is still better than the 74 days recorded for the March quarter 2007.

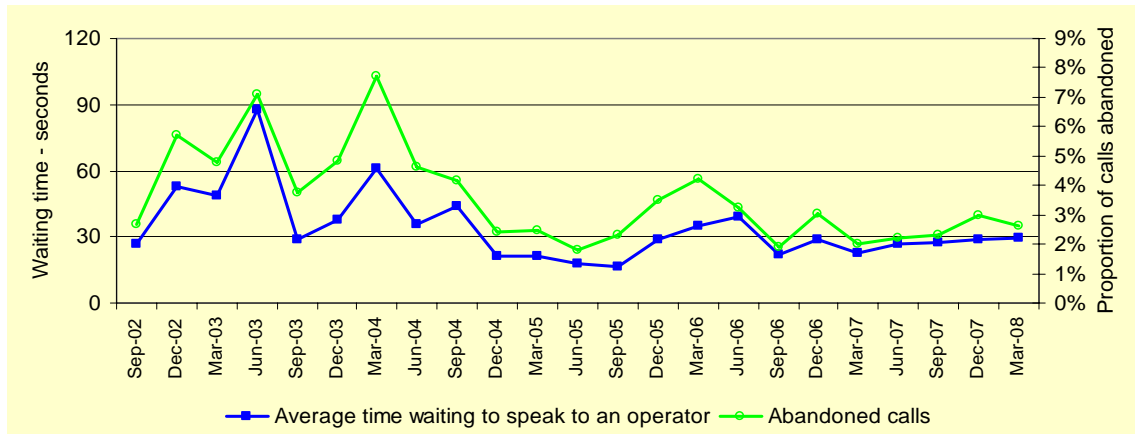
3. Customer Service Measures

➤ *Customer service measures deteriorated marginally.*

The average length of time customers had to wait to speak to an operator increased marginally from 28.7 seconds in the December quarter 2007 to 29.6 seconds during the March quarter 2008. As shown in Figure 7, this result remained close to that experienced over the past year and a half.

The percentage of calls abandoned fell marginally from 2.98% during the December quarter 2007 to 2.64% during the March quarter 2008. However, this result was still higher than the best result of 1.98% in the March quarter 2007.

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

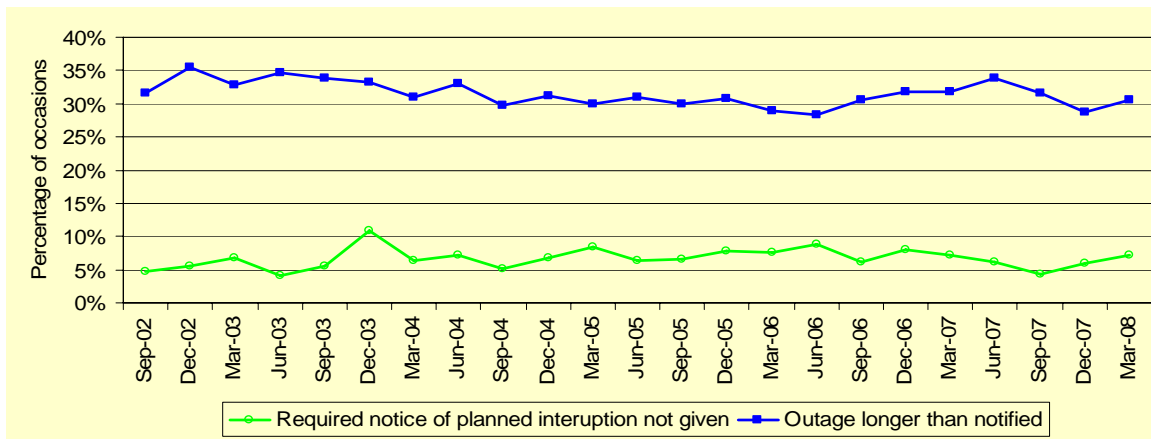


The average times taken for re-connections and new connections during the March quarter 2008 remained close to their long term trend levels of 1 day and 2 days, respectively.

Occasions on which Ergon Energy did not provide the required notice of a planned interruption rose from 5.85% in the December quarter 2007 to 7.26% during the March quarter 2008, as shown in Figure 8. However, Ergon Energy advised that, on a year to date basis, the 2007-08 performance for this measure was more favourable in comparison to the equivalent annual results for the last 5 years.

The proportion of planned interruptions that exceeded the time specified in the notification also increased, from 28.7% in the December quarter 2007 to 30.6% in the March quarter 2008. Ergon Energy advised that, despite the proportional increase, the number of occasions where planned interruptions exceeded the time specified in the notification during the March quarter 2008 of 367 occasions was actually lower than the 388 occasions recorded for the December quarter 2007. Ergon Energy also noted that network maintenance work (planned interruptions) was limited during the March quarter 2008 due to the extreme weather conditions.

Figure 8 Insufficient notification of planned interruptions



The number of customer service complaints received by Ergon Energy increased from 951 complaints during the December quarter 2007 to 1,005 complaints during the March quarter

2008. This was the highest number of complaints recorded in any quarter over the past three years. Ergon Energy attributed this result primarily to an increase in complaints concerning field activity and meter reading. Higher levels of field activity were required to restore Ergon Energy's network following flooding over a large area of its network during the March quarter 2008. Meter reading complaints related to gaining access to customers' properties and the use of estimated energy in lieu of an actual meter reading.

Ergon Energy is implementing a number of customer service initiatives, including a complaints management project, with the aim of enhancing its customer service standards and ensuring its compliance with the Australian Standard of Complaints Handling, which is based on an international standard (ISO 10002) and adopted by Standards Australia.

The average time taken to resolve customer service complaints was 4.2 days during the March quarter 2008, which is only marginally higher than the 4.1 days recorded for the December quarter 2007.