

APA Group



**GAS DISTRIBUTION SERVICE
QUALITY**

ANNUAL REPORT

JULY 2006 TO JUNE 2007

APT ALLGAS ENERGY PTY LIMITED

ABN 52 009 656 446

September 2007

Introduction

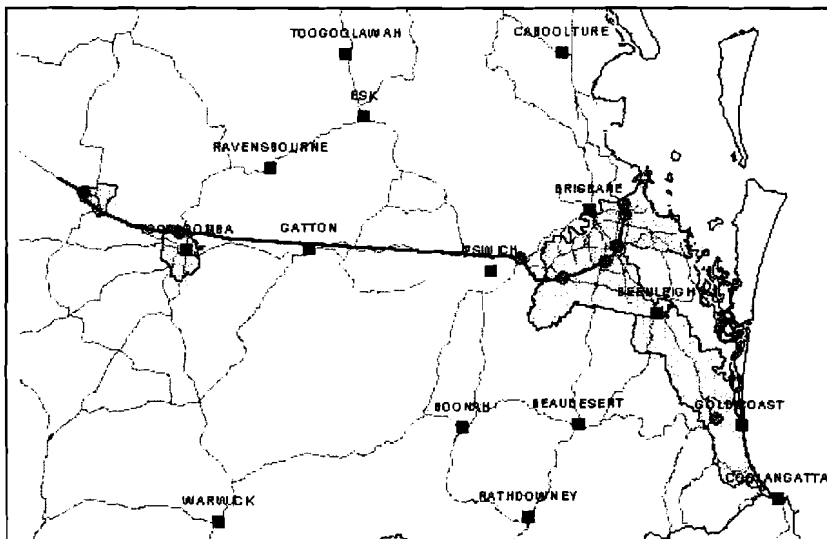
This is APT Allgas Energy Pty Limited's (APT Allgas) Annual Report on gas distribution service quality to the Queensland Competition Authority (QCA) as required under the QCA's *Gas Distribution: Monitoring Service Quality Decision 2003*.

About the APT Allgas gas distribution network

This report provides information on the quality of the gas services provided by APT Allgas' natural gas distribution network during the period from 1 July 2006 to 30 June 2007. On 1 November 2006, ownership of the APT Allgas network passed from ENERGEX to the APA Group.

APT Allgas supplies natural gas through a network of over 2,515 kilometres of distribution mains to 68,212 residential, commercial, and industrial customers.

Map of the APT Allgas gas distribution network



APT Allgas' supply area is made up of Brisbane (south of the Brisbane River), the Gold Coast (including small parts of northern New South Wales), Oakey, and Toowoomba.

APT Allgas has been committed to the progressive upgrading of the older parts of the distribution network through the network renewal program. APT Allgas plans to renew over 440 kilometres of mains by 2016 including Coorparoo, Highgate Hill, Woolloongabba, Balmoral, Morningside, Camp Hill, Greenslopes, Mansfield, Mt Gravatt, Holland Park, Moorooka, Tarragindi, Yeronga, and Yeerongpilly.

In addition, APT Allgas is engaging in a major expansion of the network in the Gold Coast region to meet new demand.

Measuring APT Allgas' distribution network performance

This report focuses on the quality of APT Allgas' performance in two areas:

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- *reliability of supply* (how often gas supply is interrupted, and for how long); and
 - *customer service* (for example, response times to emergencies, number of complaints, and time taken to connect new customers or reconnect existing connections).

These measures are described further below. In addition, there are explanatory notes attached to the tables that describe the more complex measures in detail, and discuss how Allgas records and reports the measures.

Reliability of supply

A key measure of the quality of APT Allgas' performance is the reliability of its supply to customers.

This report provides statistics on planned and unplanned interruptions.

In general, it is quite rare for gas supply to be interrupted. This is because APT Allgas (like other gas networks) operates an underground gas distribution network. However, interruptions can occur, from causes such as: third parties accidentally digging into the underground network (known as third party dig-ins), water entering the network, low pressure associated with older networks, and failure of pipes and fittings.

APT Allgas is taking a range of measures to minimise these causes of interruptions. For example, a wide range of measures are being taken to reduce third party dig-ins:

- burying new pipes to specified minimum depths depending on pressure class, type of main or service and location;
- using colour-coded pipes;
- burying warning tape 300 to 400 mm above new pipes laid in trenches;
- placing above-ground markers over pipes;
- educating the community through dial-before-you-dig programs; and
- conducting regular patrols over high-pressure steel pipes to check if anyone is digging near them.

APT Allgas is also addressing the problem of water entering pipelines through the network renewal program described above. In addition, location and repair of material failure is facilitated by a rigorous network leakage survey program.

Customer service

APT Allgas is committed to quality customer service. This report provides information on actionable calls from customers, complaints, response times to emergencies, and the time taken for new connections and reconnections:

- *Actionable calls* reflect work orders raised by the asset manager arising from inputs into the Allgas Customer Information System by retailers, end users, and the asset manager relating to: supply investigations; new connections; customer enquiries; low pressure; removal of meters; change of meters; replacement of meters; removal of service; reconnection of service; and relocation of service;

- *Complaints* relate customer expressions of dissatisfaction regarding the operation of the distribution network categorised in four areas: metering; connections/disconnections; reliability; and 'other distribution';
- *Response times to emergencies* capture APT Allgas' response time from the time a possible emergency is reported until it is investigated and any immediate dangers are dealt with; and
- *On-time connections* report the time taken to connect new customers, and reconnect customers with existing pipes following prior disconnection.

Summary of APT Allgas' Performance

As the fourth annual Service Quality Report to the QCA, APT Allgas is able to compare the 2006-07 performance against historical performance, as well as provide a higher level analysis of its service quality performance by:

- providing details on unplanned service interruptions which affected more than 5 customers and customer service measures; and
- comparing performance against other gas distribution businesses subject to regulation.

The comparison with other gas distributors is provided for illustrative purposes only and is designed to facilitate discussion and highlight Allgas' service quality performance.

Table 1 – APT Allgas Service Quality Performance Comparison

Measures	2003-04	2004-05	2005-06	2006-07
Number of unplanned outages	2	8	1	1
Number of customers affected by unplanned interruptions	107	428	94	600
Average duration of unplanned outages	81 min	143 min	360 min	540 min
Number of complaints per 1,000 customers	0.35	0.95	1.50	1.32

In Table 1, it can be seen that the average duration of unplanned outages is high because there was only one outage, which lasted for 9 hours. A single event caused the loss of supply to 600 customers. This event was due to third party damage a main in Coomera. See footnote h on page 7 for more detail.

Key performance elements for the 2006-07 financial year in the report include:

Reliability

- During 2006/07 only one unplanned outage occurred that affected 600 customers for up to 9 hours.
- The total number of customer hours lost due to unplanned outages increased from 664 in the previous financial year to 5,400 customer hours in 2006/07.

Customer Service

- there were 90 complaints relating to customer service, which included 21 complaints categorised as metering or connection/ reconnection issues, 9 reliability issues and 60 complaints defined as other distribution-related issues. This shows a deterioration (over 2005-06) of 10% in total complaints, 68% in metering, 17% in connection/disconnection and increase of 76% in other complaints; and
- average response times to all emergencies was 23 minutes, while the response time for the slowest 10% and 25% was 46 minutes and 36 respectively, showing an improvement (over 2005/06) in all response times of 12% overall and 4% and 5% respectively for the worst 10% and 25%.

Background Data

Measure	Descriptor	Value
Distribution Network Service Provider	name	APT Allgas Energy Pty Limited
First day of reporting period	date	01-7-2006
Last day of reporting period	date	30-06-2007
Supply area ^a	square kilometres	2,030
Distribution customers – total ^b	number	68,212
Distribution customers – small (using less than 10 terajoules per annum) ^c	number	68,104
Distribution customers – large (using 10 or more terajoules per annum)	number	108
Gas Consumption – customers using less than 10 terajoules per annum	terajoules ^c	2,884
Gas Consumption – customers using 10 or more terajoules per annum	terajoules ^c	7,452
Unaccounted for gas ^d	terajoules ^c	369
Length of distribution mains	Kilometres	2,515

^a Reports the overall area within which pipelines are laid. Includes the small part of the distribution network located in NSW (approximately 10 square kilometres).

^b A distribution customer is defined as a point at which gas is supplied from the distribution network and which is identified as a separate account for billing purposes.

^c A terajoule is a standard measure of the heating capacity of gas equivalent to 1×10^{12} joules.

^d Unaccounted for gas represents the difference between the gas injected into the network and the gas withdrawn from the network, adjusting for any changes in the gas stored in the network over the measurement period.

Reliability of supply

Measure	Descriptor	Value
Planned customer interruptions ^e	hours	0
Planned mains and renewal interruptions ^f	hours	2,400
Meter exchanges ^g	number	762
Number of unplanned outages ^h	number	1
Number of customers affected by unplanned outages ⁱ	number	600
Total number of hours of gas supply lost through unplanned outages ^j	hours	5,400
Duration of unplanned outages		
Worst 10 per cent	hours:minutes	9:00
Worst 25 per cent	hours:minutes	9:00
Average	hours:minutes	9:00

^e Total number of hours of interruption to supply due to planned outages. This excludes any interruptions due to mains and renewal and exchange or replacement of meters.

^f The total hours of mains and renewal interruptions is based on the number of customers affected by the interruption multiplied by the duration of the interruption as measured in hours. The duration of the mains and renewal interruption was estimated to be 8 hours.

^g Meter exchanges typically take around 10 minutes.

^h Number of unplanned outages affecting 5+ customers. The causes of the unplanned outages are as follows:

5 th June 2007 Foxwell Road, Coomera	Loss of supply to 600 customers for 9 hours due to third party damage to 160mm OD class 500 high-pressure polyethylene main in Foxwell Road, Coomera	600 customers affected for up to 9 hours
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ⁱ Based on estimate of customers affected by unplanned outages (affecting 5+ customers).

^j Based on time from time of report of outage to restoration of supply for unplanned outages affecting 5+ customers.

Customer service

Measure	Descriptor	Value
Actionable calls ^k	number	22,500
Percentage of actionable calls – internally generated ^l	percentage	15
Complaints – total ^m	number	90
Metering	number	6
Connections/Disconnections	number	15
Reliability	number	9
Other distribution-related	number	60
Compliments ⁿ	number	8
Response times to emergencies ^o		
Average of all response times	minutes	59
Response time for slowest 10 per cent	minutes	130
Response time for slowest 25 per cent	minutes	95

^k Actionable calls estimated based on the work orders arising from inputs into CIS by retailers, end users, and relating to: supply investigations; new connections; customer enquiries; low pressure; removal of meters; change of meters; replacement of meters; removal of service; reconnection of service; and relocation of service. CIS does not have the capability to determine whether the work orders were generated from an internal order or from an external customer request.

^l The percentage of actionable calls generated internally is based on an estimate. The estimate was prepared by the Asset Manager by reviewing a reasonable sized sample of total actionable calls to identify those actionable calls which were internally generated.

^m Complaint is defined as a communication from an external customer indicating that requirements or expectations have not been met. Complaints do not include reports of system failures.

ⁿ Compliment is defined as a communication from an external customer indicating that expectations of service quality have been exceeded.

^o Emergencies cover all reports of possible gas leaks. Response time is measured from a time of recording of a report of a possible emergency until emergency site is made safe. 'Made safe' means that any immediate hazard has been eliminated (including staff arrival, danger assessment, and (as necessary) action to cordon off dangerous areas, erect warning signs, and remove ignition sources).

New Connections

Measure	Descriptor	Value
On-time connections		
Total number of new connections ^p	number	3,046
New connections on-time ^q	percentage	95
Total number of reconnections	number	4059
Reconnections on-time ^r	percentage	95
Connection times – new connections ^s		
Slowest 10 per cent	days	110
Slowest 25 per cent	days	65
Average	days	23
Connection times – reconnections ^t		
Slowest 10 per cent	days	2
Slowest 25 per cent	days	1
Average	days	0.25

^p New connections cover situations where a new pipeline connection is laid to a customer's supply point following a request lodged by the customer and where suitable existing gas mains run down the customer's street. The time starts counting from when the customer lodges all necessary paperwork and pays any relevant customer contribution fee.

^q Reported by contractor based on number of jobs completed by target date. The percentage reported is against APT Allgas' internal target for on-time connection of new customers of 10 days after excluding customer-related delays or delays in receipt of dial before you dig information.

^r Reconnections cover situations where an existing gas connection to a supply point is restored, eg following a period of vacancy. Reported against APT Allgas' internal target for on-time reconnection of existing customers of 1 day.

^s Reported as the average for new connections, including delays such as customer-related delays or delays in receipt of dial before you dig information. Customer-related delays can be significant, and typically arise where a site is not ready for connection on the target date initially set. Ellipse reports currently have insufficient data to determine and remove customer-related delays.

^t A result under 1 for a particular job represents same-day service, while a result of 1 means next business day service.