



ELECTRICITY DISTRIBUTION – SERVICE QUALITY PERFORMANCE FOR THE JUNE QUARTER 2004

Introduction

The Authority's *Electricity Distribution: Service Quality Reporting Guidelines* require Distribution Network Service Providers (DNSPs) to provide data on specific service quality measures on a quarterly and annual basis. The Guidelines are available on the Authority's website at www.qca.org.au. The Authority commenced posting the reports provided by the DNSPs on its website with the September quarter 2002 reports.

For the quarterly reports, the Authority provides a very brief overview of the measures reported by the DNSPs. For the annual reports, the Authority provides a more detailed review of DNSPs' service quality performance and, as annual data is accumulated, it will review the performance of each DNSP over time. The Authority's annual report of service quality performance for 2002-03 was released in March 2004 and is available on the Authority's website. The Authority expects to release the 2003-04 annual report in early 2005.

The March quarter 2004 saw the occurrence of a number of weather related events affecting Energex's network. In addition to the well reported problems with the distribution network itself, those events exposed some weaknesses in the reporting regime, particularly in relation to customer service measures when the call centre is unable to handle the volume of calls being received. The data reported for the March quarter 2004 also raised some general questions as to how calls reaching the call centre were being classified.

As a result, the Authority will be amending the Service Quality Reporting Guidelines to record: the number of calls to the automated interactive voice response system; the number of unsuccessful calls to the call centre during an overload event; and to clarify the definition of a complaint. In addition, changes will be made to collect a slightly more detailed set of reliability data. These amendments are discussed in the Authority's 2005 Draft Determination on distribution regulation, which will be available on the Authority's web site.

The Electricity Distribution and Service Delivery (EDSD) Review recommended improvements be made to the capacity of Energex's call centre. Responding to these recommendations should resolve some of the reporting issues that were identified in relation to the March quarter 2004 report. The EDSD Review also recommended that the distributors and the Authority consider applying a statistically-based method for excluding reliability data. In response to this recommendation, a working group with representatives from Energex, Ergon, the Department of Energy and the QCA was established. The working group has agreed to adopt what is known as a 2.5 beta method for determining exclusion events. This decision is also discussed in the Authority's 2005 Draft Determination on electricity distribution. For the sole purpose of supporting uniform national reporting of reliability data, the distributors will also be required to provide the Authority with the same data normalised on a 3 minute SAIDI basis. While an additional measure for the distributors to report, this should not impose an unreasonable

administrative burden as no additional data is required, just a different method of processing that data.

Summary of the DNSPs' June quarter 2004 service quality reports

The service quality measures collected by the Authority are not intended to allow comparison of the two DNSPs 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.

The service quality measures that the DNSPs are required to report against fall into three broad groups – reliability measures, quality of supply measures and customer service measures.

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 DNSPs, such as severe storms. A DNSP's performance is best indicated by the duration and frequency of planned and unplanned interruptions that are due to distribution network problems within the distributor's control (although lengthy and frequent interruptions due to other influences may indicate a need for improved risk management measures on the part of the distributors).

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 DNSPs.

ENERGEX

Reliability measures

Based on the data submitted by Energex in accordance with the Authority's Service Quality Reporting Guidelines (which allows for the exclusion of the impact of severe weather-related events), Energex customers, on average, experienced 1.79 distribution-related interruptions during the 12 months to end June 2004, leaving them without power for a total of 160.6 minutes. These figures compare to 1.90 distribution-related interruptions and 171.1 minutes without power during the 12 months to end March 2004, indicating that the underlying reliability of electricity supply for the June quarter 2004 improved compared to the June quarter 2003.¹

Consistent with the Authority's Guidelines, Energex removed the impact of six severe weather-related events from its distribution-related reliability performance for the March quarter 2004. Although these events occurred in the March quarter 2004, they still impact the June quarter 2004 reliability measures because the reliability measures are based on a 12 month rolling average.

Without these events excluded (that is, the distribution-related reliability customers actually experienced), Energex's customers, on average, experienced 2.40 distribution-related interruptions, leaving them without power for a total of 362.6 minutes during the 12 months to end of June 2004. These figures compare to 2.51 distribution-related interruptions and 374.3 minutes without power during the 12 months to end March 2004, indicating that the unadjusted reliability of electricity supply for the June quarter 2004 improved compared to the unadjusted reliability performance for the June quarter 2003.

Energex reported that customers made 74 complaints regarding the reliability of supply in the June quarter 2004, compared to 366 complaints in the March quarter 2004. The number of complaints for the June quarter 2004 is largely consistent with the 93 complaints recorded in the December quarter 2003. As previously noted, Energex experienced a high number of outages during the March quarter 2004, which affected its reliability performance and hence the number of complaints.

Quality of supply measures

Energex reported that it received a total of 547 quality of supply complaints during the June quarter 2004 compared to 677 complaints during the March quarter 2004. The decrease in complaints highlights Energex's poor performance during the March quarter, which Energex attributed, in part, to extended periods of hot weather affecting its distribution network performance. The largest decreases in complaints were recorded for low supply voltage (which can cause light dimming and motor starting problems) and voltage dips – minor or nuisance (which can cause flickering lights). While the number of complaints decreased during the June quarter 2004 it was still above the 482 complaints recorded in the December quarter 2003.

¹ As quarterly reliability measures are based on 12 month rolling averages, the only difference between results for the March and the June quarters in 2004 is that the former includes June quarter 2003 reliability data while the latter includes June quarter 2004 reliability data. Therefore, comparison of reliability data for the March and June quarters in 2004 is effectively a comparison of reliability performance during the June 2003 and 2004 quarters.

Customer service measures

During the June quarter 2004, Energex customers had to wait, on average, 50 seconds to speak to an operator when calling the call centre, down from 88 seconds during the previous quarter. The average waiting time for the June quarter 2004 was also an improvement on the 62 seconds that customers waited, on average, during the December quarter 2003. The percentage of calls abandoned decreased from 13.3% in the March quarter 2004 to 7.1% in the June quarter 2004, which is also an improvement on the December quarter 2003 (9.5%). The improvement in Energex's call centre performance will have been influenced by the 35% decrease in the total number of calls to the call centre compared to the March quarter 2004.

In other measures, Energex customers had to wait, on average, 4.06 days for a new connection to the network compared to 4.10 days during the March quarter 2004. The proportion of new connections that were not made on the agreed date improved from 5.3% in the March quarter 2004 to 4.4% in the June quarter 2004, even though the number of new connections made increased by 10.9%. The proportion of re-connections that were not made on the agreed date deteriorated slightly from 2.5% to 2.7% over the same period.

The average time taken to repair faulty street lights decreased from 4.6 days in the March quarter 2004 to 3.7 days in the June quarter 2004. The average time taken to repair faulty street lights for the June quarter 2004 is consistent with the 3.4 days taken in the December quarter 2003. Comparing the March quarter 2004 to the June quarter 2004, the occasions on which the required notice of a planned interruption to supply was not given remained at 32.0%, while the occasions where the duration of the planned interruption exceeded the time specified in the notification decreased slightly from 41.0% to 39.0%.

The reported total number of complaints decreased from 700 in the March quarter 2004 to 377 in the June quarter, primarily due to a lower number of power outage (reliability) complaints in this quarter compared to the previous quarter. However, as was noted in the Authority's assessment of the March quarter 2004, there is some question regarding the number of complaints reported for the March quarter.

ERGON ENERGY

Reliability measures

During the 12 months to end June 2004, Ergon Energy customers, on average, experienced 5.10 distribution-related interruptions, leaving them without power for a total of 561.2 minutes. These figures compare to 5.04 distribution-related interruptions and 578.3 minutes of time without power during the 12 months to end March 2004, indicating customers, on average, experienced slightly more distribution-related interruptions but less time without power for the June quarter 2004 compared to the June quarter 2003.

Ergon Energy customers made 200 complaints regarding the reliability of supply in the June quarter 2004, compared to 539 complaints in the March quarter 2004 which was affected by severe weather conditions increasing the number of complaints. Ergon Energy's June quarter 2004 performance was also an improvement on the 337 complaints in the December quarter 2003.

Quality of supply measures

Ergon Energy received a total of 653 quality of supply complaints during the June quarter 2004 which was a marked improvement on the 1,155 complaints during the March quarter 2004. The high number of complaints in the March quarter is likely to have been due to hot weather adversely affecting network performance. The largest decreases in complaints were recorded for low supply voltage (which can cause light dimming and motor starting problems) and other non-categorised complaints. The June quarter 2004 result is comparable to the December quarter 2003 result (669 complaints), despite including four extra measures (severe voltage dips, voltage spikes, waveform distortion or unbalances and noise from appliance or lights) which were reported for the first time in the March quarter 2004.

Customer service measures

During the June quarter 2004, Ergon Energy customers had to wait, on average, 36 seconds to speak to an operator when calling the call centre, down from 61 seconds during the previous quarter. The June quarter 2004 result is comparable to the December quarter 2003 result (38 seconds). The percentage of calls abandoned decreased from 7.7% in the March quarter 2004 to 4.6% in the June quarter 2004, which is largely consistent with the December quarter 2003 result (4.9%). Ergon Energy's call centre performance has improved compared to the March quarter 2004, which will have been influenced by the 36% decrease in the total number of calls to the call centre during the June quarter 2004.

Ergon Energy customers had to wait, on average, 2.70 days for a new connection to the network compared to 2.90 days during the March quarter 2004. The proportion of new connections that were not made on the agreed date improved from 7.0% in the March quarter 2004 to 4.9% in the June quarter 2004, even though the number of new connections increased by 22.0%. The proportion of re-connections that were not made on the agreed date also improved from 6.9% to 5.1% over the same period, which may have been partly due to the 6.5% fewer re-connections made.

The average time taken to fix a technical supply fault decreased markedly from 36 days in the March quarter 2004 to 16 days in the June quarter - the lowest number since public reporting of service quality data began under the Authority's Guidelines. The number of occasions on which

the required notice of a planned interruption to supply was not given and the number of occasions on which the duration of a planned interruption exceeded the time specified in the notification both deteriorated from the March quarter 2004 to the June quarter 2004 (6.4% to 7.2% and 31.0% to 33.1% respectively).

The total number of complaints decreased from 2,419 in the March quarter 2004 to 1,479 in the June quarter 2004, primarily due to a lower number of complaints about the quality of electricity supply and lower reliability complaints. The average time taken to resolve complaints improved from 23 days to 14 days. However, the percentage of total complaints resolved within 20 days deteriorated slightly from 95.2% to 93.9% over the same period. The total number of repeat complaints decreased from 49 in the March quarter 2004 to 19 in the June quarter 2004, while the average time taken to resolve repeat complaints decreased from 14 days to 3 days (the lowest average waiting time since public reporting of service quality data began under the Authority's Guidelines).