



ELECTRICITY DISTRIBUTION – SERVICE QUALITY PERFORMANCE FOR THE MARCH 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.

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 have also 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 this quarter has also raised some general questions as to how calls reaching the call centre are being classified. As a result, the information reported by Energex does not accurately reflect actual performance over that period.

The report of the Independent Panel into Electricity Distribution and Service Delivery for the 21st Century included recommendations to improve the capacity of Energex's call centre. Responding to these recommendations should resolve some of the reporting issues identified in relation to this March quarter 2004 report.

Summary of the DNSPs' March 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.

Storm activity in March quarter 2004

Both DNSPs experienced significant storm activity in their geographic regions in the March quarter 2004. As a result, their respective performance across most service quality measures deteriorated. Except for reliability data, the Authority's Guidelines do not provide for any adjustment to the service quality data to take account of severe weather-related events. The Authority allows certain events to be excluded from the reliability data on the grounds that such events are beyond the control of the DNSPs and should not distort the measurement of underlying reliability performance.

The Authority's Guidelines define an excluded event to be an interruption within the DNSPs network where at least 5% of the customers in the DNSPs geographical area are affected by widespread storms and flooding or other natural disasters. Since public reporting of the DNSPs' service quality data by the Authority commenced, only two excluded events, one in December 2001 and another in December 2002, had been claimed (by Energex) up to the March quarter 2004.

Energex has identified six exclusion events which affected its network performance during the March quarter 2004. Energex's measured reliability performance during the quarter was significantly affected by the removal of the impact of these events. Given the impact of these exclusions, the Authority has provided Energex's reliability data both with and without the events excluded.

Ergon did not identify any excluded events in the quarter and its reported reliability data does not require adjustment.

While the Authority's Guidelines only allow for reliability measures to be adjusted for excluded events, it is clear that the impact of these events permeated other elements of the reporting regime. For example, it is difficult to reconcile some of Energex's reported customer service measures, particularly those related to call centre performance, with the experience of Energex customers over the period and media reports of customer service outcomes during the first quarter of this year. This does not reflect any conscious adjustment of the data by Energex but rather the way in which calls can be handled during such unusual circumstances.

In addition, the data reported for this quarter by Energex has revealed some problems in the way statistics are being collected. At one level, the volume of calls to the Energex call centre during the blackouts experienced by many customers early in the year resulted in the call centre being

overloaded on a number of occasions. As a consequence, many calls were unanswered. The statistics reported to the Authority cast no light on the level of calls unanswered.

The events of early this year have also indicated that there may be a general problem with the way successful calls to the call centre are classified. What constitutes a “complaint”? As discussed in the following section, it appears that many calls from customers who may be without electricity are not classed as complaints for reporting purposes.

As part of its review of the current arrangements, the Authority will examine these matters further. Consideration will be given to whether there is a more appropriate means of setting the threshold for excluding the impact of certain events from the statistical database.

The Authority will continue to require both adjusted and unadjusted data to be reported. Discussions will also be held with both distributors to ensure that call centre statistics are compiled in a manner which adequately reflects network performance and is consistent with nationally agreed measures.

ENERGEX

Reliability measures

Based on the data submitted by Energex in accordance with the Authority's reporting guidelines (which excludes the impact of six specific events), Energex customers, on average, experienced 1.90 distribution-related interruptions, leaving them without power for a total of 171.1 minutes during the 12 months to end March 2004. These figures compare to 1.92 distribution-related interruptions and 157.2 minutes without power during the 12 months to end December 2003, indicating customers, on average, experienced slightly less distribution-related interruptions but with more time without power for the March quarter 2004 compared to the March quarter 2003¹.

However, consistent with the Authority's Service Quality Reporting Guidelines, Energex removed the impact of six events, from its distribution-related reliability performance for the March quarter 2004. Five of the excluded events were due to severe storms predominantly in late January. The other excluded event was due to a low pressure weather event in March 2004.

Without these events excluded (that is, the distribution-related reliability customer's actually experienced), Energex's customers, on average, experienced 2.51 distribution-related interruptions, leaving them without power for a total of 374.3 minutes during the 12 months to end of March 2004.

Energex reports that customers made 366 complaints regarding the reliability of supply in the March quarter 2004, compared to 93 complaints in the December quarter 2003. The reliability of supply complaints in the March quarter 2004 was the highest since public reporting of service quality performance began under the Authority's Guidelines. As indicated earlier, it is considered that the reported statistics do not accurately reflect actual performance over the period.

Quality of supply measures

Energex reports that it received a total of 677 quality of supply complaints during the March quarter 2004 compared to 482 complaints during the December quarter 2003. Until this quarter, the quality of supply complaints had generally been trending downwards since collection of the data began. The largest increases 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). Energex attributed the increase in quality of supply complaints, in part, to extended periods of hot weather during the March quarter 2004, which affected the distribution network performance. It is also possible that these statistics were affected by the call centre problems outlined earlier.

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

Customer service measures

Energex's reported call centre performance deteriorated compared to the December quarter. For the reasons outlined earlier, it is considered that the reported statistics do not accurately reflect actual performance over the period.

In other measures, Energex customers had to wait, on average, 4.10 days for a new connection to the network compared to 4.09 days during the December quarter 2003. The proportion of new connections that were not made on the agreed date deteriorated slightly from 5.0% in the December quarter 2003 to 5.3% in the March quarter 2004, even though the number of new connection made decreased by 12.8%. The proportion of re-connections that were not made on the agreed date deteriorated from 1.9% to 2.5% over the same period.

The average time taken to repair faulty street lights increased from 3.4 days in the December quarter 2003 to 4.6 days in the March quarter 2004. Over the same period the number of faulty street lights increased from 3,414 to 6,037 (around 77%), probably due to the increased storm activity in the quarter. From the December quarter 2003 to the March quarter 2004, the occasions on which the required notice of a planned interruption to supply was not given increased from 26.0% to 32.0%, while the occasions where the duration of the planned interruption exceeded the time specified in the notification remained at 41.0%.

The reported number of complaints increased in the March quarter 2004, primarily due to an increased number of power outage (reliability) complaints. However, as noted above, it is considered that the reported statistics do not accurately reflect actual performance over the period. In this regard, it is difficult to reconcile a total of 700 recorded complaints with the experience of Energex customers over the period and the volume of calls reported in the media, a substantial proportion of which are likely to have been seeking to complain about power outages.

ERGON ENERGY

Reliability measures

During the 12 months to end March 2004, Ergon Energy customers, on average, experienced 5.04 distribution-related interruptions, leaving them without power for a total of 578.3 minutes. These figures have deteriorated from 4.16 distribution-related interruptions and 465.4 minutes of time without power during the 12 months to end December 2003, indicating that the reliability of electricity supply for the March quarter 2004 deteriorated markedly compared to the March quarter 2003. Ergon Energy attributed the worsening reliability performance for the March quarter 2004 to severe storms in January and February that were predominantly in the South West, Wide Bay, Central and Far North Queensland regions.

Ergon Energy customers made 539 complaints regarding the reliability of supply in the March quarter 2004, compared to 337 complaints in the December quarter 2003. The reliability of supply complaints in the March quarter 2004 was the highest since public reporting of service quality performance began under the Authority's Guidelines.

Quality of supply measures

For the March quarter 2004, Ergon Energy was able to report all of the quality of supply measures required in the Guidelines for the first time. Ergon Energy received a total of 1,155 quality of supply complaints during the March quarter 2004 compared to 669 complaints during the December quarter 2003. The inclusion in this total of the four previously unreported measures (severe voltage dips, voltage spikes, waveform distortion or unbalances and noise from appliance or lights) accounted for 147 complaints. Apart from these new measures, the largest increases in complaints were recorded for low supply voltage (which can cause light dimming and motor starting problems) and other non-categorised complaints.

Customer service measures

During the March quarter 2004, Ergon Energy customers had to wait, on average, 61 seconds to speak to an operator when calling the call centre, up from 38 seconds during the previous quarter. The percentage of calls abandoned increased from 4.9% in the December quarter 2003 to 7.7% in the March quarter 2004. Ergon Energy's call centre performance has deteriorated compared to the December quarter, which may have been influenced by the increase of 23.7% in total calls to the call centre (includes operator-answered and self-serve calls), while the calls that were diverted to an operator increased by 23.1%.

Ergon Energy customers had to wait, on average, 2.90 days for a new connection to the network compared to 2.80 days during the December quarter 2003. However, the proportion of new connections that were not made on the agreed date improved from 8.5% in the December quarter 2003 to 7.0% in the March quarter 2004, which may have been helped by the 14.9% fewer new connections made. The proportion of re-connections that were not made on the agreed date also improved from 7.4% to 6.9% over the same period, even though the number of re-connections made increased by 8.9%.

The average time taken to fix a technical supply fault increased from 31 days in the December quarter 2003 to 36 days in the March quarter 2004, while the number of occasions on which the required notice of a planned interruption to supply was not given decreased from 10.8% to 6.4% over the same period.

The total number of complaints increased from 1,689 in the December quarter 2003 to 2,419 in the March quarter 2004, primarily due to an increased number of complaints about the quality of electricity supply (due in part to the reporting of new measures) and reliability complaints. The percentage of total complaints resolved within 20 days improved from 93.6% to 95.2% over the same period. However, the average time taken to resolve complaints lengthened from 18 days to 23 days. The total number of repeat complaints increased from 32 in the December quarter 2003 to 49 in the March quarter 2004. However, the time taken to resolve repeat complaints decreased from 19 days to 14 days.