



ELECTRICITY DISTRIBUTION – SERVICE QUALITY PERFORMANCE FOR THE SEPTEMBER QUARTER 2005

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. In August 2005, the Authority revised its Service Quality Reporting Guidelines to address weaknesses in the reporting arrangements and to facilitate nationally consistent reporting. The main changes to the Guidelines were to:

- require the DNSPs to provide service quality reports to the Authority within a shorter timeframe;
- change the excluded event definition (from the 5 per cent of customers affected method to the 2.5 beta method, which is an internationally accepted standard for excluding outages from reliability data);
- require reliability numbers to be reported on a quarter-on-quarter basis as well as the existing 12 month rolling average basis;
- incorporate the Australian Standard definition for complaints;
- require the reporting of the number of calls to the interactive voice response (IVR) system when customers call the loss of supply phone number;
- require the reporting of the number of missed calls due to the call centre reaching capacity;
- require the provision of additional reliability data on an annual basis to support national reporting consistency; and
- require any changes in the reporting of service quality measures in these Guidelines to be approved by the Authority.

The DNSPs have commenced reporting under the revised Guidelines for the September quarter 2005.

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 released separate annual reports of the distributors'

financial and service quality performance for 2003-04 in March 2005 and these reports are available on the Authority's website. The Authority expects to release the 2004-05 annual reports in early 2006.

Summary of the DNSPs' September quarter 2005 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 distributor).

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

During the 12 months to end September 2005, Energex customers, on average, experienced 1.71 distribution-related interruptions, leaving them without power for a total of 156.1 minutes. This compares to 1.72 distribution-related interruptions and 162.4 minutes without power during the 12 months to end June 2005, indicating that the underlying reliability of electricity supply for the September quarter 2005 improved compared to the September quarter 2004.¹

Consistent with the Authority's Guidelines relating to the exclusion of certain events, Energex has removed the outage impact of a severe storm on 13 December 2004 and strong winds on 17 September 2005 from its distribution-related reliability performance data for the September quarter 2005. Although the severe storm occurred in the December quarter 2004, it still impacts the September quarter 2005 reliability data because the reliability measures are based on a 12 month rolling average.

For the September quarter 2005, the Authority's revised Guidelines required Energex to provide adjusted reliability performance based on the internationally recognised 2.5 beta method rather than the previous '5 per cent of customers affected' method.

Without these events excluded (that is, measuring the distribution-related reliability customers actually experienced), Energex's customers, on average, experienced 1.85 distribution-related interruptions, leaving them without power for a total of 182.7 minutes during the 12 months to end of September 2005. These figures compare to 1.77 distribution-related interruptions and 174.6 minutes without power during the 12 months to end June 2005, indicating that the unadjusted reliability for the September quarter 2005 deteriorated compared to the unadjusted reliability for the September quarter 2004.

During the September quarter 2005, Energex customers, on average, experienced 0.13 distribution-related interruptions, leaving them without power for a total of 9.2 minutes. Without the excluded event on 17 September 2005, Energex's customers, on average, experienced 0.20 distribution-related interruptions, leaving them without power for a total of 20.1 minutes during the September quarter 2005. This is the first time quarter-on-quarter reliability information has been reported. This information is a new requirement of the Authority's revised Guidelines.

Energex customers made 122 complaints regarding the reliability of supply in the September quarter 2005, compared to 91 complaints in the June quarter 2005. Due to a change by Energex in the collection of data, to include complaints resolved immediately which had previously been excluded, it is not possible to compare the September quarter result with the corresponding quarter a year earlier.

¹ As these reliability measures are based on 12 month rolling averages, the only difference between results for the June and the September quarters in 2005 is that the former includes September quarter 2004 reliability data while the latter includes September quarter 2005 reliability data. Therefore, comparison of reliability data for the June and September quarters in 2005 on this basis is effectively a comparison of reliability performance during the September 2004 and 2005 quarters.

Quality of supply measures

Energex reported that it received a total of 475 technical quality of supply complaints during the September quarter 2005, which was an increase on the 413 complaints received during the June quarter 2005. The largest decreases were recorded for complaints relating to minor voltage dips (which can cause flickering lights and the need to re-set digital clocks) and voltage swells (which can cause blown lights and minor equipment damage).

However, the September quarter 2005 performance was virtually the same as the corresponding quarter in 2004 (489). The average time taken to fix a technical supply fault decreased from 41.8 days in the June quarter 2005 to 30.6 days in the September quarter 2005. This measure has varied between 35 and 45 days over the past year.

Customer service measures

During the September quarter 2005, Energex customers had to wait, on average, 28 seconds to speak to an operator when calling the call centre, down from 31 seconds during the previous quarter. This measure has remained fairly steady over the past year, varying between 23 and 31 seconds.

The percentage of calls abandoned increased from 2.6 per cent in the June quarter 2005 to 5.3 per cent in the September quarter 2005, which may partly result from an increase in the number of calls directed to an operator during the September quarter. Nevertheless, the September quarter 2005 result is an improvement on the corresponding quarters in 2003 and 2004 (8.5 per cent and 8.2 per cent).

During the September quarter 2005, there were 134,831 calls answered by Energex's interactive voice response (IVR) system in relation to loss of supply information. Reporting of the number of calls handled by the IVR system is a new requirement of the Authority's revised Guidelines.

There were four instances when the loss of supply phone number reached capacity and was unable to handle all the calls directed to that number during the September quarter 2005. As a result, 3,909 calls went unanswered. Reporting the number of calls unanswered due to the loss of supply phone number reaching capacity is a new requirement of the Authority's revised Guidelines.

The proportion of total customer appointments that were not met within 15 minutes of the agreed time improved slightly from 2.6 per cent in the June quarter 2005 to 2.5 per cent in the September quarter 2005. The September quarter 2005 result is also slightly lower than the corresponding quarter in 2004 (2.9 per cent).

In other measures, Energex customers had to wait, on average, 4.03 days for a new connection to the network compared to 4.05 days during the June quarter 2005. This measure has varied little since reporting began in the September quarter 2002.

The proportion of new connections that were not made on the agreed date improved from 3.3 per cent in the June quarter 2005 to 1.1 per cent in the September quarter 2005, even though the number of new connections made increased by 1,209. Historically, this measure had ranged between 2 and 7 per cent.

The proportion of re-connections that were not made on the agreed date decreased to 1.0 per cent in the September quarter 2005 compared to 2.9 per cent in the June quarter 2005, even though the number of re-connections made increased by 487. This measure had generally remained between 2 per cent and 3 per cent since reporting began in the September quarter 2002.

In the September quarter 2005, these measures relating to new connections and re-connections recorded their lowest values since reporting began under the Authority's Guidelines. The improved performance by Energex may reflect an increased focus on the timeliness of connections due to the changes that require DNSPs to make automatic payments under the Guaranteed Service Level (GSL) scheme of \$40 for every day it is late.

The number of GSL payments made during the September quarter 2005 increased significantly from 74 payments in the previous quarter to 184 payments. The total amount paid in GSL payments also increased from \$5,590 to \$14,600 over the same period. In the September quarter 2005, both of these measures recorded their highest values since reporting began under the Authority's Guidelines.

Under Queensland's Electricity Industry Code, the introduction of a GSL scheme has made it easier for customers to claim rebates if certain defined levels of service are not met. This would most likely explain the significant increases in the number and amount of GSL payments.

The average time taken to repair faulty street lights decreased to 3 days in the September quarter 2005. This measure has generally remained between 3 and 5 days since reporting began under the Authority's Guidelines in the September quarter 2002. The proportion of street lights not repaired by the agreed date improved from 9.3 per cent in the June quarter (the highest on record) to 6.4 per cent in the September quarter. Historically, this measure has varied between 1.2 and 9.3 per cent.

The occasions on which the required notice of a planned interruption to supply was not given decreased slightly from an already high 45 per cent in the June quarter 2005 to 43 per cent in the September quarter 2005. This measure has varied little over the past three quarters.

The occasions where the duration of a planned interruption exceeded the time specified in the notification decreased slightly from 31 per cent in the June quarter 2005 to 28 per cent in the September quarter 2005, which is the lowest number since reporting began under the Authority's Guidelines in the September quarter 2002.

Due to inconsistencies in the reporting of the total number of complaints and the associated average waiting time to resolve these complaints in the past, the Authority's revised Guidelines no longer require the reporting of total complaints. Instead, the DNSPs are required to separately report complaints received in the three broad categories of reliability, quality of supply and customer service. The reliability and quality of supply complaints have already been discussed above.

The reported number of customer service complaints increased from 660 in the June quarter 2005 to 741 in the September quarter 2005, while the average time taken to resolve these complaints decreased slightly from 11 days to 9 days.

For the September quarter 2005, Energex resolved 88 per cent of complaints within 20 days. No historical comparisons can be made on this measure as the basis of reporting has been changed. The total number of repeat complaints increased slightly from 4 in the June quarter 2005 to 8 in

the September quarter 2005, while the average time taken to resolve repeat complaints improved from 15 days to 13 days.

ERGON ENERGY

Reliability measures

During the 12 months to end September 2005, Ergon Energy customers, on average, experienced 3.85 distribution-related interruptions, leaving them without power for a total of 460.2 minutes. These figures compare to 3.82 distribution-related interruptions and 455.3 minutes without power during the 12 months to end June 2005, indicating that the underlying reliability of electricity supply for the September quarter 2005 deteriorated slightly compared to the September quarter 2004.

During the September quarter 2005, Ergon Energy customers, on average, experienced 0.70 distribution-related interruptions, leaving them without power for a total of 86.4 minutes. This is the first time quarter-on-quarter reliability information has been reported. This information is a new requirement of the Authority's revised Guidelines.

Ergon Energy customers made 121 complaints regarding the reliability of supply in the September quarter 2005, compared to 167 complaints in the June quarter 2005. The number of reliability complaints for the September quarter 2005 is also below the corresponding quarter in 2004 (173 complaints). The average time taken to resolve reliability complaints decreased from 8 days in the June quarter 2005 to 7 days in the September quarter 2005. However, the average time taken to resolve reliability complaints for the September quarter 2005 is higher than the corresponding quarter in 2004 (3 days).

Quality of supply measures

Ergon Energy reported that it received a total of 617 quality of supply complaints during the September quarter 2005, which was a slight deterioration on the 607 complaints during the June quarter 2005. The largest increases were recorded for complaints relating to low supply voltage (which can cause light dimming and motor starting problems) and voltage swells (which can cause blown lights and minor equipment damage).

The September quarter 2005 performance also represented a slight deterioration from the corresponding quarter in 2004 (606). The average time taken to fix a technical supply fault decreased slightly from 76 days in the June quarter 2005 to 74 days in the September quarter 2005. This measure has varied between 74 days and 79 days over the past year.

Customer service measures

During the September quarter 2005, Ergon Energy customers had to wait, on average, 16 seconds to speak to an operator when calling the call centre, compared to 18 seconds during the previous quarter. The September quarter 2005 result was the lowest average waiting time to speak to an operator since reporting began under the Authority's Guidelines.

The percentage of calls abandoned increased from 1.8 per cent in the June quarter 2005 to 2.3 per cent in the September quarter 2005. However, the September quarter 2005 performance represents an improvement from the corresponding quarter in 2004 (4.2 per cent).

During the September quarter 2005, there were 80,556 calls answered by Ergon Energy's interactive voice response (IVR) system in relation to loss of supply information. The number of calls handled by the IVR system is a new requirement of the Authority's revised Guidelines.

Ergon Energy's loss of supply phone number did not reach capacity and was able to handle all calls directed to that number during the September quarter 2005.

In other measures, Ergon Energy customers had to wait, on average, 2.0 days for a new connection to the network compared to 2.7 days in the June quarter 2005.

The proportion of new connections that were not made on the agreed date improved from 5.8 per cent in the June quarter 2005 to 1.3 per cent in the September quarter 2005, even though Ergon Energy made an extra 922 new connections.

In the September quarter 2005, both of these measures relating to new connections have recorded their lowest values since reporting began under the Authority's Guidelines.

The improved performance by Ergon Energy may reflect an increased focus on the timeliness of new connections due to the changes that require DNSPs to make automatic payments under the Government's GSL scheme for failure to make timely connections.

Ergon Energy customers had to wait, on average, 24 hours to be re-connected to the network in the September quarter 2005 compared to 26 hours during the June quarter 2005. Since the March quarter 2003 (the first quarter this measure was reported), this measure has varied between 13 hours and 31 hours.

The proportion of re-connections that were not made on the agreed date improved from 3.9 per cent in the June quarter 2005 to 0.4 per cent in the September quarter 2005. This may have been partly due to the 2,848 fewer re-connections that were made.

The improvement in the proportion of re-connections that were made on the agreed date may also reflect an increased focus on re-connections due to the introduction of the GSL scheme.

The number of GSL payments made during the September quarter 2005 increased significantly from 57 payments in the previous quarter to 192 payments. The total amount paid in GSL payments also increased from \$3,490 to \$14,640 over the same period. In the September quarter 2005, both of these measures recorded their highest values since reporting began under the Authority's Guidelines. The introduction of the Government's compulsory GSL scheme would most likely explain the significant increase in the number and amounts paid.

The average time taken to repair faulty street lights decreased slightly from 2.8 days in the June quarter 2005 to 2.4 days in the September quarter 2005. This measure has generally remained between 2.5 and 3.5 days over the last three years.

The occasions on which the required notice of a planned interruption to supply was not given increased slightly from 6.3 per cent in the June quarter 2005 to 6.6 per cent in the September quarter 2005. This result also represented a deterioration from the corresponding quarter in 2004 (5.2 per cent).

The occasions where the duration of the planned interruption exceeded the time specified in the notification decreased slightly from 30.9 per cent to 30.0 per cent. This measure has varied between 30 per cent and 31 per cent over the past year.

The Authority's revised Guidelines no longer require the reporting of total complaints. Instead, the DNSPs are required to separately report complaints received in the three broad categories of reliability, quality of supply and customer service. The reliability and quality of supply complaints have already been discussed above.

The reported number of customer service complaints increased slightly from 727 in the June quarter 2005 to 733 in the September quarter 2005, while the average time taken to resolve these complaints decreased slightly from 8.5 days to 8.2 days.

The percentage of total complaints resolved within 20 days improved from 89.7 per cent in the June quarter 2004 to 93.0 per cent in the September quarter 2005. No further historical comparisons can be made as Ergon Energy changed the basis of reporting this measure to exclude quality of supply complaints in the June quarter 2005.

The total number of repeat complaints increased from 10 in the June quarter 2005 to 18 in the September quarter 2005. This number of repeat complaints has varied between 10 and 25 over the past year. The average time taken to resolve repeat complaints improved from 26.9 days in the June quarter 2005 to 19.8 days in the September quarter 2005. This measure has varied between 9 days and 27 days over the past year.