



ELECTRICITY DISTRIBUTION – SERVICE QUALITY PERFORMANCE FOR THE JUNE 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 DNSPs will begin to report under the new Guidelines with the September quarter 2005 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 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.

Summary of the DNSPs' June 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

Energex improved its basis for reporting reliability data from the September quarter 2004 by using the actual customer numbers affected by interruptions in its calculations rather than estimated customer numbers as used previously. As reliability data is calculated on a 12 month rolling average basis, the full effect of this change has now been revealed in the June quarter 2005 report, as 12 months of data has now been collected under the new method. Under the new method, unadjusted average minutes off supply per customer per year for distribution-related interruptions are around 23 per cent higher and the unadjusted average number of distribution-related interruptions per customer per year is around 5.5 per cent higher. The change in reporting method also means that Energex's own analysis of the historical ranges of its reliability data presented in its quarterly report is potentially misleading due to the inconsistent data series being used.

During the 12 months to end June 2005, Energex customers, on average, experienced 1.72 distribution-related interruptions, leaving them without power for a total of 162.4 minutes. This compares to 1.69 distribution-related interruptions and 155.6 minutes without power during the 12 months to end March 2005, indicating that the underlying reliability of electricity supply for the June quarter 2005 slightly deteriorated compared to the June quarter 2004.¹

Consistent with the Authority's Guidelines, Energex has removed the impact of a severe storm which occurred on 13 December 2004 from its distribution-related reliability performance data. Although this event occurred in the December quarter 2004, it still impacts the June quarter 2005 reliability data because the reliability measures are based on a 12 month rolling average.

Without this event excluded (that is, measuring the distribution-related reliability customers actually experienced), Energex's customers, on average, experienced 1.77 distribution-related interruptions, leaving them without power for a total of 174.6 minutes during the 12 months to end of June 2005. These figures compare to 1.74 distribution-related interruptions and 167.7 minutes without power during the 12 months to end March 2005. After allowing for the different basis of determining customer numbers, these figures indicate that the unadjusted reliability for the June quarter 2005 slightly deteriorated compared to the June quarter 2004.

Energex customers made 91 complaints regarding the reliability of supply in the June quarter 2005, compared to 258 complaints in the March quarter 2005. No further historical comparisons can be made because Energex changed the basis for reporting of this measure in the March quarter 2005. The way Energex had previously been reporting complaints resulted in the number of complaints being under-estimated.

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 2005 is that the former includes June quarter 2004 reliability data while the latter includes June quarter 2005 reliability data. Therefore, comparison of reliability data for the March and June quarters in 2005 is effectively a comparison of reliability performance during the June 2004 and 2005 quarters.

Quality of supply measures

Energex reported that it received a total of 413 technical quality of supply complaints during the June quarter 2005, which was a decrease on the 484 complaints received during the March quarter 2005. The largest decreases were recorded for complaints relating to low supply voltage (which can cause light dimming and motor starting problems) and voltage dips – minor or nuisance (which can cause flickering lights). In contrast to reliability complaints, technical quality of supply complaints were unaffected by Energex's change in its reporting and hence further historical comparisons can be made. The number of technical quality of supply complaints has generally been trending downwards since reporting began under the Authority's Guidelines, with the June quarter 2005 performance representing the second lowest point recorded to date. The June quarter 2005 result is also an improvement on the corresponding quarters in 2003 and 2004 (596 and 547).

Customer service measures

During the June quarter 2005, Energex customers had to wait, on average, 31 seconds to speak to an operator when calling the call centre, up from 23 seconds during the previous quarter. This measure has remained fairly steady over the past year, after falling significantly from just above 3 minutes in the September quarter 2002. The percentage of calls abandoned increased from 1.9 per cent in the March quarter 2005 to 2.6 per cent in the June quarter 2005. However, the June quarter 2005 result is an improvement on the corresponding quarters in 2003 and 2004 (7.3 per cent and 7.1 per cent). Despite a decline in the number of calls, both these measures deteriorated compared to the previous quarter.

The proportion of total customer appointments that were not met within 15 minutes of the agreed time slightly deteriorated from 2.5 per cent in the March quarter 2005 to 2.6 per cent in the June quarter 2005. The June quarter 2005 result is also slightly higher than the corresponding quarters in 2003 and 2004 (both 2.4 per cent).

In other measures, Energex customers had to wait, on average, 4.05 days for a new connection to the network compared to 4.1 days during the March 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 6.5 per cent in the March quarter 2005 to 3.3 per cent in the June quarter 2005, even though the number of new connections made increased by 410. Historically, this measure has ranged between 2 and 7 per cent. The proportion of re-connections that were not made on the agreed date increased to 2.9 per cent in the June quarter 2005 compared to 2.4 per cent in the March quarter 2005, even though the number of re-connections made decreased by 861. This measure has remained between 2 per cent and 3 per cent since reporting began in the September quarter 2002.

The average time taken to repair faulty street lights increased to 4 days in the June 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 increased from 8.7 per cent in the March quarter to 9.3 per cent in the June quarter, the highest percentage recorded to date.

The occasions on which the required notice of a planned interruption to supply was not given increased slightly from an already high 44 per cent in the March quarter 2005 to 45 per cent in the June quarter 2005. Over the past year, this measure has been quite volatile, reflecting a change in the way Energex has collected data. This makes interpretation of the numbers difficult though the

numbers do appear to have stabilised again of late. The occasions where the duration of a planned interruption exceeded the time specified in the notification remained steady at 31 per cent in the June quarter 2005, the lowest result yet reported.

As with reliability complaints, historical comparisons before the March quarter 2005 of the following complaint measures are meaningless due to a change in Energex's reporting of complaints. The reported total number of complaints decreased from 1,051 in the March quarter 2005 to 751 in the June quarter 2005, while the average time taken to resolve these complaints increased slightly from 11 days to 12 days. Over the same period, the percentage of total complaints resolved within 20 days improved slightly from 53 per cent to 56 percent. The total number of repeat complaints decreased from 12 in the March quarter 2005 to 4 in the June quarter 2005, while the average time taken to resolve repeat complaints deteriorated from 12 days to 15 days.

The average time taken to fix a technical supply fault increased from 35.7 days in the March quarter 2005 to 41.8 days in the June quarter 2005. This measure has varied between 35 days and 45 days over the past year.

ERGON ENERGY

Reliability measures

During the 12 months to end June 2005, Ergon Energy customers, on average, experienced 3.82 distribution-related interruptions, leaving them without power for a total of 455.3 minutes. These figures compare to 3.97 distribution-related interruptions and 457.8 minutes without power during the 12 months to end March 2005, indicating that the underlying reliability of electricity supply for the June quarter 2005 slightly improved compared to the June quarter 2004.

Ergon Energy customers made 167 complaints regarding the reliability of supply in the June quarter 2005, compared to 323 complaints in the March quarter 2005. The number of reliability complaints for the June quarter 2005 is also below the corresponding quarter in 2004 (200 complaints), which likely reflects Ergon Energy's improved reliability performance.

Quality of supply measures

Ergon Energy reported that it received a total of 607 quality of supply complaints during the June quarter 2005, which was an improvement on the 823 complaints during the March quarter 2005. The largest decreases were recorded for complaints relating to low supply voltage (which can cause light dimming and motor starting problems) and noises from appliances or lights. The June quarter 2005 performance also represented an improvement from the corresponding quarter in 2004 (653).

Customer service measures

During the June quarter 2005, Ergon Energy customers had to wait, on average, 18 seconds to speak to an operator when calling the call centre, compared to 21 seconds during the previous quarter. The percentage of calls abandoned decreased from 2.5 per cent in the March quarter 2005 to 1.8 per cent in the June quarter 2005. For both the average waiting time to speak to an operator and the percentage of calls abandoned, these are the lowest levels recorded since reporting began under the Authority's Guidelines.

In other measures, Ergon Energy customers had to wait, on average, 2.7 days for a new connection to the network compared to 3.2 days in the March quarter 2005. This measure has varied only marginally over the past year and a half, ranging from 2.5 days to 3.2 days. The proportion of new connections that were not made on the agreed date improved from 8.0 per cent in the March quarter 2005 to 5.8 per cent in the June quarter 2005, even though Ergon Energy made an extra 834 new connections. However, the proportion of new connections that were not made on the agreed date during the June quarter 2005 deteriorated from the corresponding quarter in 2004 (4.9 per cent). The proportion of re-connections that were not made on the agreed date improved from 4.5 per cent in the March quarter 2005 to 3.9 per cent in the June quarter 2005. This may have been partly due to the 613 fewer re-connections that were made. However, the June quarter 2005 performance was an improvement from the corresponding quarter in 2004 (5.1 per cent). Ergon Energy customers had to wait, on average, 26 hours to be re-connected to the network in the June quarter 2005 compared to 28 hours during the March 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 average time taken to repair faulty street lights slightly increased from 2.7 days in the March quarter 2005 to 2.8 days in the June 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 decreased from 8.5 per cent in the March quarter 2005 to 6.3 per cent in the June quarter 2005. This result also represented an improvement from the corresponding quarter in 2004 (7.2 per cent). The occasions where the duration of the planned interruption exceeded the time specified in the notification increased slightly from 30.0 per cent to 30.9 per cent. However, this was a slight improvement on the corresponding quarter in 2004 (33.1 per cent).

The total number of complaints decreased from 987 in the March quarter 2005 to 894 in the June quarter 2005. However, this result was a slight deterioration on the corresponding quarter in 2004 (826). The average time taken to resolve these complaints increased significantly from 6.4 days in the March quarter 2005 to 8.5 days in the June quarter 2005. However, this result was a significant improvement from the corresponding quarter in 2004 (11.7 days). For the June quarter 2005, Ergon Energy resolved 89.7 per cent of complaints within 20 days. No historical comparisons can be made as the reporting of this measure has been changed to exclude quality of supply complaints.

The total number of repeat complaints decreased significantly from 25 in the March quarter 2005 to 10 in the June quarter 2005. This was the lowest number of repeat complaints recorded since reporting began under the Authority's Guidelines. The average time taken to resolve repeat complaints deteriorated significantly from 16.3 days in the March quarter 2005 to 26.9 days in the June quarter 2005. This was the highest recorded average time taken to resolve repeat complaints since reporting began under the Authority's Guidelines.

The average time taken to fix a technical supply fault decreased from 79 days in the March quarter 2005 to 76 days in the June quarter 2005. Historical comparisons of this measure cannot be made due to a change in the reporting of this measure in the December quarter 2004.