

# Ergon Energy Corporation Limited

Electricity Industry Code  
Minimum Service Standards & Guaranteed Service Levels  
Quarterly Report

September Quarter 2007

30 November 2007



**everything in our power**

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## ADMINISTRATIVE DATA

| <u>ITEM NO.</u> | <u>MEASURE</u>                               | <u>UNIT</u> | <u>VALUE</u>                     |
|-----------------|--|-------------|----------------------------------|
| 1.1             | <i>Distribution Network Service Provider</i> | name        | Ergon Energy Corporation Limited |
| 1.2             | <i>First day of reporting period</i>         | date        | 01-07-2007                       |
| 1.3             | <i>Last day of reporting period</i>          | date        | 30-09-2007                       |

## NETWORK PERFORMANCE

(Reporting obligations under clause 2.6.2(a)(i) (A), (B), (C), (D) & (E) of the Queensland Electricity Industry Code, Third Edition effective 1 July 2007 ('The Code'))

### Reliability Measures - 3 Months to September 2007

(Results effective as at 26 October 2007, for the period ending 30 September 2007)

| <u>ITEM NO.</u> | <u>MEASURE</u>  | <u>UNIT</u> | <u>ACTUAL NETWORK PERFORMANCE</u> | <u>NETWORK PERFORMANCE LESS EXCLUSIONS</u> |
|-----------------|---|-------------|-----------------------------------|--|
|                 | <b><i>System Average Interruption Duration Index (SAIDI)</i></b>  |             |                                   |  |
|                 | <i>Distribution system – total</i>                                |             |                                   |  |
|                 | Urban   | Minutes     | 37.09                             | 30.89                                      |
|                 | Short Rural   | Minutes     | 103.23                            | 87.69                                      |
|                 | Long Rural  | Minutes     | 199.90                            | 195.29                                     |
|                 | <i>Distribution system – planned</i>                              |             |                                   |  |
|                 | Urban   | Minutes     | 16.74                             | 16.70                                      |
|                 | Short Rural   | Minutes     | 32.58                             | 32.39                                      |
|                 | Long Rural  | Minutes     | 65.27                             | 64.97                                      |
|                 | <i>Distribution system – unplanned</i>                            |             |                                   |  |
|                 | Urban   | Minutes     | 20.35                             | 14.18                                      |
|                 | Short Rural   | Minutes     | 70.64                             | 55.30                                      |
|                 | Long Rural  | Minutes     | 134.63                            | 130.31                                     |
|                 | <b><i>System Average Interruption Frequency Index (SAIFI)</i></b> |             |                                   |  |
|                 | <i>Distribution system – total</i>                                |             |                                   |  |
|                 | Urban   | Number      | 0.32                              | 0.31                                       |
|                 | Short Rural   | Number      | 0.70                              | 0.66                                       |
|                 | Long Rural  | Number      | 1.08                              | 1.06                                       |
|                 | <i>Distribution system – planned</i>                              |             |                                   |  |
|                 | Urban   | Number      | 0.08                              | 0.08                                       |
|                 | Short Rural   | Number      | 0.19                              | 0.19                                       |
|                 | Long Rural  | Number      | 0.35                              | 0.34                                       |
|                 | <i>Distribution system – unplanned</i>                            |             |                                   |  |
|                 | Urban   | Number      | 0.24                              | 0.22                                       |
|                 | Short Rural   | Number      | 0.51                              | 0.47                                       |
|                 | Long Rural  | Number      | 0.73                              | 0.71                                       |



## Reliability Measures – Financial Year to Date (1 July 2007 to 30 June 2008)

Results effective as at 26 October 2007, for the period ending 30 September 2007)

| <u>ITEM NO.</u> | <u>MEASURE</u>  | <u>UNIT</u> | <u>ACTUAL NETWORK PERFORMANCE</u> | <u>NETWORK PERFORMANCE LESS EXCLUSIONS</u> |
|-----------------|---|-------------|-----------------------------------|--|
|                 | <b><i>System Average Interruption Duration Index (SAIDI)</i></b>  |             |                                   |  |
|                 | <i>Distribution system – total</i>                                |             |                                   |  |
|                 | Urban   | Minutes     | 37.09                             | 30.89                                      |
|                 | Short Rural   | Minutes     | 103.23                            | 87.69                                      |
|                 | Long Rural  | Minutes     | 199.90                            | 195.29                                     |
|                 | <i>Distribution system – planned</i>                              |             |                                   |  |
|                 | Urban   | Minutes     | 16.74                             | 16.70                                      |
|                 | Short Rural   | Minutes     | 32.58                             | 32.39                                      |
|                 | Long Rural  | Minutes     | 65.27                             | 64.97                                      |
|                 | <i>Distribution system – unplanned</i>                            |             |                                   |  |
|                 | Urban   | Minutes     | 20.35                             | 14.18                                      |
|                 | Short Rural   | Minutes     | 70.64                             | 55.30                                      |
|                 | Long Rural  | Minutes     | 134.63                            | 130.31                                     |
|                 |   |             |                                   |  |
|                 | <b><i>System Average Interruption Frequency Index (SAIFI)</i></b> |             |                                   |  |
|                 | <i>Distribution system – total</i>                                |             |                                   |  |
|                 | Urban   | Number      | 0.32                              | 0.31                                       |
|                 | Short Rural   | Number      | 0.70                              | 0.66                                       |
|                 | Long Rural  | Number      | 1.08                              | 1.06                                       |
|                 | <i>Distribution system – planned</i>                              |             |                                   |  |
|                 | Urban   | Number      | 0.08                              | 0.08                                       |
|                 | Short Rural   | Number      | 0.19                              | 0.19                                       |
|                 | Long Rural  | Number      | 0.35                              | 0.34                                       |
|                 | <i>Distribution system – unplanned</i>                            |             |                                   |  |
|                 | Urban   | Number      | 0.24                              | 0.22                                       |
|                 | Short Rural   | Number      | 0.51                              | 0.47                                       |
|                 | Long Rural  | Number      | 0.73                              | 0.71                                       |

## Details of Interruptions excluded 3 Months to September 2007

Results effective as at 26 October 2007, for the period ending 30 September 2007)

| EXCLUSION MEASURE  | TOTAL       |              |             |
|--|-------------|--------------|-------------|
|  | Urban       | SR           | LR          |
| <b>System Average Interruption Duration Index (SAIDI)</b>  |             |              |             |
| <i>(minutes)</i>   |             |              |             |
| (a) an interruption of a duration of one minute or less;   | 0.00        | 0.00         | 0.00        |
| (b) an interruption resulting from:  |             |              |             |
| (i) load shedding due to a shortfall in generation;  | 0.00        | 0.00         | 0.00        |
| (ii) a direction by NEMMCO, a system operator or any other body exercising a similar function under the Electricity Act, National Electricity Code or National Electricity Law;  | 0.00        | 0.00         | 0.00        |
| (iii) automatic shedding of load under the control of under frequency relays following the occurrence of a power system under-frequency condition described in the power system security and reliability standards; or | 0.00        | 0.00         | 0.00        |
| (iv) a failure of the shared transmission grid; or   | 0.00        | 0.00         | 0.00        |
| (v) a direction by a police officer or another authorised person exercising powers in relation to public safety;   | 0.00        | 0.00         | 0.00        |
| (c) any interruption to the supply of electricity on a distribution entity's supply network which commences on a major event day; and  | 5.06        | 13.82        | 0.91        |
| (d) an interruption caused by a customer's electrical installation or failure of that electrical installation.   | 1.14        | 1.72         | 3.70        |
| <b>Total SAIDI for all Exclusion Events</b>  | <b>6.20</b> | <b>15.54</b> | <b>4.61</b> |
| <b>System Average Interruption Frequency Index (SAIFI)</b>   |             |              |             |
| <i>(number)</i>  |             |              |             |
| (a) an interruption of a duration of one minute or less;   | 0.00        | 0.00         | 0.00        |
| (b) an interruption resulting from:  |             |              |             |
| (i) load shedding due to a shortfall in generation;  | 0.00        | 0.00         | 0.00        |
| (ii) a direction by NEMMCO, a system operator or any other body exercising a similar function under the Electricity Act, National Electricity Code or National Electricity Law;  | 0.00        | 0.00         | 0.00        |
| (iii) automatic shedding of load under the control of under frequency relays following the occurrence of a power system under-frequency condition described in the power system security and reliability standards; or | 0.00        | 0.00         | 0.00        |
| (iv) a failure of the shared transmission grid; or   | 0.00        | 0.00         | 0.00        |
| (v) a direction by a police officer or another authorised person exercising powers in relation to public safety;   | 0.00        | 0.00         | 0.00        |
| (c) any interruption to the supply of electricity on a distribution entity's supply network which commences on a major event day; and  | 0.01        | 0.03         | 0.01        |
| (d) an interruption caused by a customer's electrical installation or failure of that electrical installation.   | 0.01        | 0.01         | 0.01        |
| <b>Total SAIFI for all Exclusion Events</b>  | <b>0.02</b> | <b>0.04</b>  | <b>0.02</b> |

Note: Ergon Energy does not currently record momentary (<1 minute) outages.



## Details of Interruptions excluded for the Financial Year to Date (1 July 2007 to 30 June 2008)

(Results effective as at 26 October 2007, for the period ending 30 September 2007)

| EXCLUSION MEASURE  | TOTAL       |              |             |
|--|-------------|--------------|-------------|
|  | Urban       | SR           | LR          |
| <b>System Average Interruption Duration Index (SAIDI)</b>  |             |              |             |
| <i>(minutes)</i>   |             |              |             |
| (a) an interruption of a duration of one minute or less;   | 0.00        | 0.00         | 0.00        |
| (b) an interruption resulting from:  |             |              |             |
| (i) load shedding due to a shortfall in generation;  | 0.00        | 0.00         | 0.00        |
| (ii) a direction by NEMMCO, a system operator or any other body exercising a similar function under the Electricity Act, National Electricity Code or National Electricity Law;  | 0.00        | 0.00         | 0.00        |
| (iii) automatic shedding of load under the control of under frequency relays following the occurrence of a power system under-frequency condition described in the power system security and reliability standards; or | 0.00        | 0.00         | 0.00        |
| (iv) a failure of the shared transmission grid; or   | 0.00        | 0.00         | 0.00        |
| (v) a direction by a police officer or another authorised person exercising powers in relation to public safety;   | 0.00        | 0.00         | 0.00        |
| (c) any interruption to the supply of electricity on a distribution entity's supply network which commences on a major event day; and  | 5.06        | 13.82        | 0.91        |
| (d) an interruption caused by a customer's electrical installation or failure of that electrical installation.   | 1.14        | 1.72         | 3.70        |
| <b>Total SAIDI for all Exclusion Events</b>  | <b>6.20</b> | <b>15.54</b> | <b>4.61</b> |
| <b>System Average Interruption Frequency Index (SAIFI)</b>   |             |              |             |
| <i>(number)</i>  |             |              |             |
| (a) an interruption of a duration of one minute or less;   | 0.00        | 0.00         | 0.00        |
| (b) an interruption resulting from:  |             |              |             |
| (i) load shedding due to a shortfall in generation;  | 0.00        | 0.00         | 0.00        |
| (ii) a direction by NEMMCO, a system operator or any other body exercising a similar function under the Electricity Act, National Electricity Code or National Electricity Law;  | 0.00        | 0.00         | 0.00        |
| (iii) automatic shedding of load under the control of under frequency relays following the occurrence of a power system under-frequency condition described in the power system security and reliability standards; or | 0.00        | 0.00         | 0.00        |
| (iv) a failure of the shared transmission grid; or   | 0.00        | 0.00         | 0.00        |
| (v) a direction by a police officer or another authorised person exercising powers in relation to public safety;   | 0.00        | 0.00         | 0.00        |
| (c) any interruption to the supply of electricity on a distribution entity's supply network which commences on a major event day; and  | 0.01        | 0.03         | 0.01        |
| (d) an interruption caused by a customer's electrical installation or failure of that electrical installation.   | 0.01        | 0.01         | 0.01        |
| <b>Total SAIFI for all Exclusion Events</b>  | <b>0.02</b> | <b>0.04</b>  | <b>0.02</b> |

Note: Ergon Energy does not currently record momentary (<1 minute) outages.



## **Description of any major event days**

During the September quarter Ergon Energy registered one Major Event Day (MED) using the 2.5 beta exclusion event method, which requires a MED to be any day with daily SAIDI value greater than the 2007-08 MED threshold value of 9.94 system minutes.

The Major Event Day occurred on the 24 August 2007, when a series of storms hit the Southern region, causing significant damage to the Ergon Energy network and loss of supply to customers across the southern Wide Bay.

## **Explanation of reasons for exceeding minimum service standards and proposals to improve performance**

Given the inherent variability of reliability measures, caution should be exercised in drawing conclusions about relative underlying reliability performance based on short periods of measurement such as three months. Nevertheless, it is worth noting that the SAIDI/SAIFI performance of both the Urban and Short Rural feeder are more favourable to the MSS compared to September 2006. The reliability performance for the Long Rural feeders during the September quarter 2007 was negatively impacted by higher duration of outages than in September last year. A large proportion of these outages are attributable to the adverse weather conditions and wide-spread damage associated with the storms in the Southern Region of Ergon Energy's Service area which also resulted into a Major Event Day during August.

Ergon Energy will be in a better position to assess the underlying performance to the MSS targets from the second quarter of the financial year 2007-08.

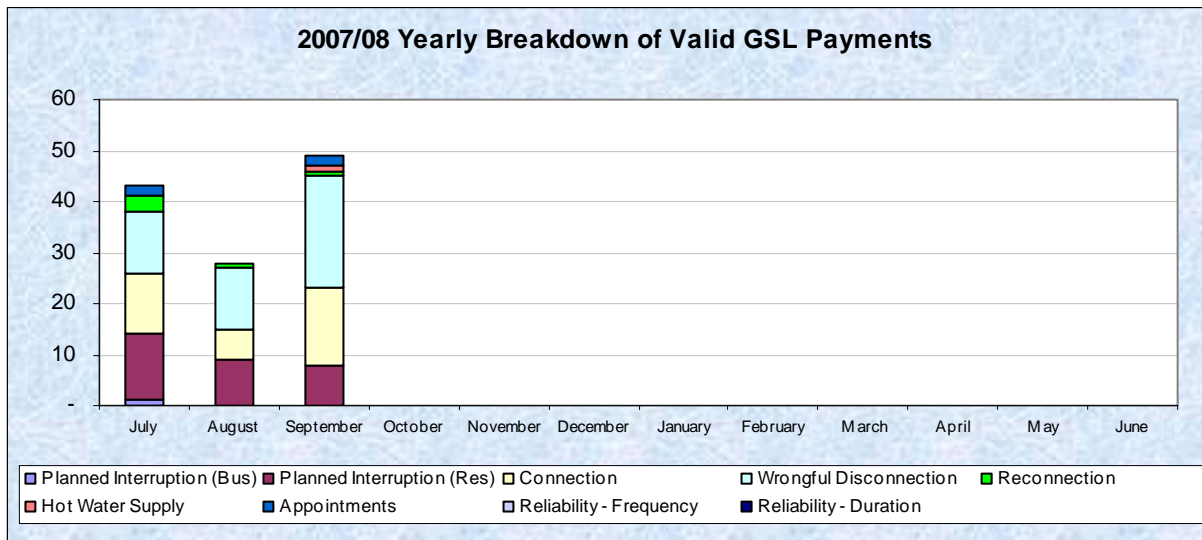


## GSL (GUARANTEED SERVICE LEVEL)

(Reporting obligations under clause 2.6.2(a)(ii) (A), (B) & (C) of The Code)

### Valid GSL Claims – Claim Type Breakdown for the Financial Year to Date

| Yearly Breakdown of Valid GSL Payments for Ergon Energy – 2007/2008 Financial Year |           |           |           |         |          |          |         |          |       |       |     |      |                  |
|--|-----------|-----------|-----------|---------|----------|----------|---------|----------|-------|-------|-----|------|------------------|
| Type of GSL  | July      | August    | September | October | November | December | January | February | March | April | May | June | Cumulative Total |
| Planned Interruption (Bus)   | 1         | 0         | 0         |         |          |          |         |          |       |       |     |      | 1                |
| Planned Interruption (Res)   | 13        | 9         | 8         |         |          |          |         |          |       |       |     |      | 30               |
| Connection   | 12        | 6         | 15        |         |          |          |         |          |       |       |     |      | 33               |
| Wrongful Disconnection   | 12        | 12        | 22        |         |          |          |         |          |       |       |     |      | 46               |
| Reconnection   | 3         | 1         | 1         |         |          |          |         |          |       |       |     |      | 5                |
| Hot Water Supply   | 0         | 0         | 1         |         |          |          |         |          |       |       |     |      | 1                |
| Appointments   | 2         | 0         | 2         |         |          |          |         |          |       |       |     |      | 4                |
| Reliability - Frequency  | 0         | 0         | 0         |         |          |          |         |          |       |       |     |      | 0                |
| Reliability - Duration   | 0         | 0         | 0         |         |          |          |         |          |       |       |     |      | 0                |
| <b>Monthly Total</b>   | <b>43</b> | <b>28</b> | <b>49</b> |         |          |          |         |          |       |       |     |      | <b>120</b>       |



This figure represents the total number of valid GSL claims paid for the quarter as defined under the Electricity Industry Code (the Code). Although 120 valid GSL claims were made during the September quarter, Ergon Energy paid an additional 210 ex-gratia claims (\$16,540 in payments), as a result of wild storms in the Wide Bay area on the 23-25 August 2007. The storms were later declared as an eligible disaster under the Natural Disaster Relief Arrangements (NDRRA) by the Queensland Minister for Emergency Services, alleviating Ergon Energy's obligation to pay related reliability GSL claims.

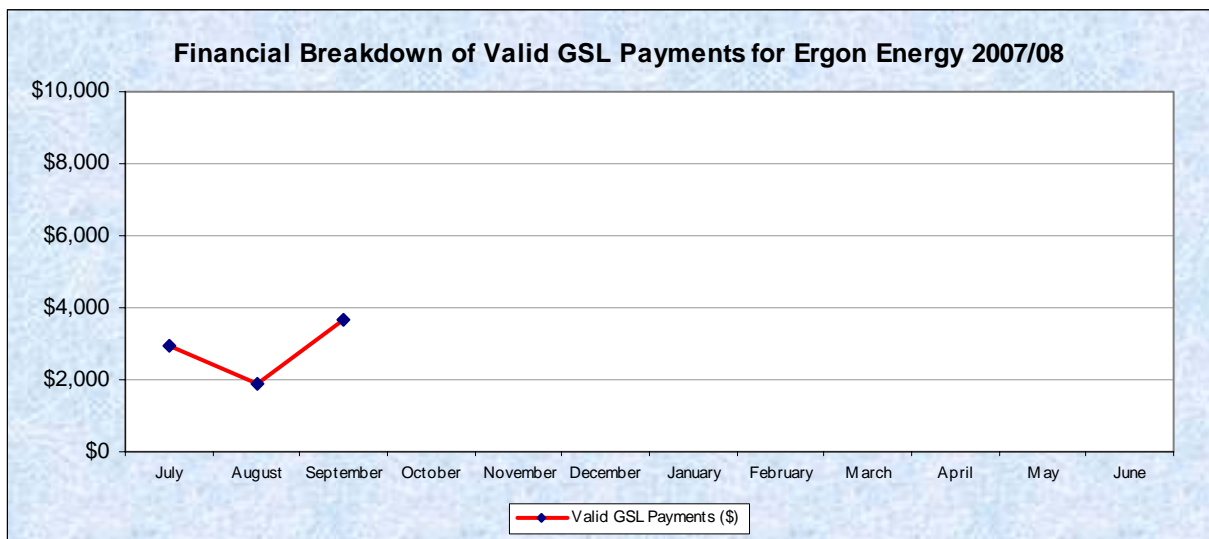
As Ergon Energy had already commenced paying GSLs to customers, as a gesture of good will Ergon Energy continued to accept and honour outstanding GSL claims up until the 19<sup>th</sup> October 2007. GSLs relating to the event were then converted and reported as ex-gratia payments and excluded from valid GSL claim statistics.





## Valid GSL Claims – Financial Claim Breakdown for the Financial Year to Date

| Financial Breakdown of Valid GSL Payments for Ergon Energy - 2007/2008 Financial Year |                   |                   |                   |         |          |          |         |          |       |       |     |      |                   |
|---|-------------------|-------------------|-------------------|---------|----------|----------|---------|----------|-------|-------|-----|------|-------------------|
| Type of GSL   | July              | August            | September         | October | November | December | January | February | March | April | May | June | Cumulative Total  |
| Planned Interruption (Bus)  | \$50.00           | \$0.00            | \$0.00            |         |          |          |         |          |       |       |     |      | \$50.00           |
| Planned Interruption (Res)  | \$260.00          | \$180.00          | \$160.00          |         |          |          |         |          |       |       |     |      | \$600.00          |
| Connection  | \$1,210.00        | \$480.00          | \$1,080.00        |         |          |          |         |          |       |       |     |      | \$2,770.00        |
| Wrongful Disconnection  | \$1,200.00        | \$1,200.00        | \$2,200.00        |         |          |          |         |          |       |       |     |      | \$4,600.00        |
| Reconnection  | \$120.00          | \$40.00           | \$40.00           |         |          |          |         |          |       |       |     |      | \$200.00          |
| Hot Water Supply  | \$0.00            | \$0.00            | \$120.00          |         |          |          |         |          |       |       |     |      | \$120.00          |
| Appointments  | \$80.00           | \$0.00            | \$80.00           |         |          |          |         |          |       |       |     |      | \$160.00          |
| Reliability - Frequency   | \$0.00            | \$0.00            | \$0.00            |         |          |          |         |          |       |       |     |      | \$0.00            |
| Reliability - Duration  | \$0.00            | \$0.00            | \$0.00            |         |          |          |         |          |       |       |     |      | \$0.00            |
| <b>Monthly Total</b>  | <b>\$2,920.00</b> | <b>\$1,900.00</b> | <b>\$3,680.00</b> |         |          |          |         |          |       |       |     |      | <b>\$8,500.00</b> |



This figure represents the total number of valid GSL claims paid for the quarter as defined under the Electricity Industry Code (the Code). Although 120 valid GSL claims were made during the September quarter, Ergon Energy paid an additional 210 ex-gratia claims (\$16,540 in payments), as a result of wild storms in the Wide Bay area on the 23-25 August 2007. The storms were later declared as an eligible disaster under the Natural Disaster Relief Arrangements (NDRRA) by the Queensland Minister for Emergency Services, alleviating Ergon Energy's obligation to pay related reliability GSL claims.

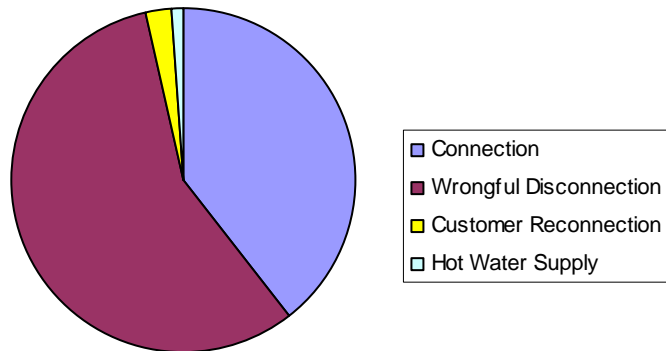
As Ergon Energy had already commenced paying GSLs to customers, as a gesture of good will Ergon Energy continued to accept and honour outstanding GSL claims up until the 19<sup>th</sup> October 2007. GSLs relating to the event were then converted and reported as ex-gratia payments and excluded from valid GSL claim statistics.



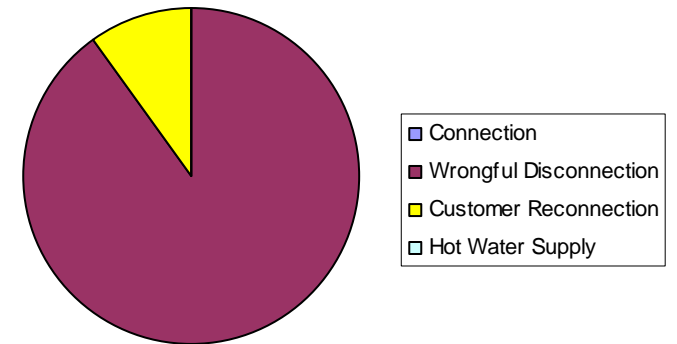
## Corporation Initiated GSL Claims Breakdown

| Type of GSL            | July 2007 to September 2007 |                 |                              |                   | Financial Year to Date |             |                 |                   |
|------------------------|-----------------------------|-----------------|------------------------------|-------------------|------------------------|-------------|-----------------|-------------------|
|                        | Number of Claims            | Number Accepted | Investigated Claims Not Paid | Amount Paid       | Claims Raised          | Number Paid | Number Not Paid | Amount Paid       |
| Connection             | 32                          | 32              | 0                            | \$2,720.00        | 32                     | 32          | 0               | \$2,720.00        |
| Wrongful Disconnection | 55                          | 46              | 9                            | \$4,600.00        | 55                     | 46          | 9               | \$4,600.00        |
| Customer Reconnection  | 3                           | 2               | 1                            | \$80.00           | 3                      | 2           | 1               | \$80.00           |
| Hot Water Supply       | 1                           | 1               | 0                            | \$120.00          | 1                      | 1           | 0               | \$120.00          |
| <b>Total</b>           | <b>91</b>                   | <b>81</b>       | <b>10</b>                    | <b>\$7,520.00</b> | <b>91</b>              | <b>81</b>   | <b>10</b>       | <b>\$7,520.00</b> |

Corporation Initiated  
Valid GSL's - July to Sept 2007 Quarter



Corporation Initiated  
Claims Not Paid - July to Sept 2007 Quarter



## Corporation Initiated GSL Claims – Rejection Reasons, July 2007 to September 2007

There were ten Corporation Initiated GSL claims investigated and not paid due to

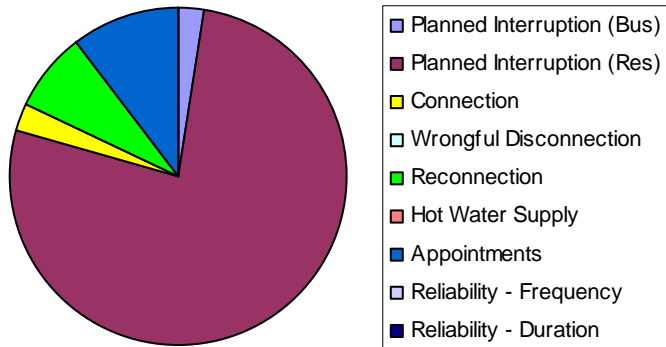
- 1 x Connection - Isolated Customer reconnected within timeframe as stated in the Code
- 9 x Wrongful Disconnections
  - 4 Customers disconnected for debt
  - 2 Customers' units incorrectly re-numbered by owner
  - 1 Customer affected by Planned Interruption
  - 1 Customer did not meet Regulatory Requirements - supply was never disconnected
  - 1 new Customer had not been connected



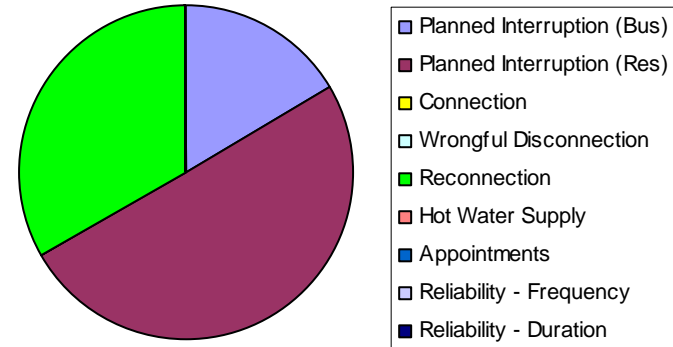
## Customer Initiated GSL Claims Breakdown

| Type of GSL                | July 2007 to September 2007 |                 |                 |                 | Financial Year to Date |             |                 |                 |
|----------------------------|-----------------------------|-----------------|-----------------|-----------------|------------------------|-------------|-----------------|-----------------|
|                            | Number of Claims            | Number Accepted | Number Rejected | Amount Paid     | Claims Raised          | Number Paid | Number Not Paid | Amount Paid     |
| Planned Interruption (Bus) | 2                           | 1               | 1               | \$50.00         | 2                      | 1           | 1               | \$50.00         |
| Planned Interruption (Res) | 33                          | 30              | 3               | \$600.00        | 33                     | 30          | 3               | \$600.00        |
| Connection                 | 1                           | 1               | 0               | \$50.00         | 1                      | 1           | 0               | \$50.00         |
| Wrongful Disconnection     | 0                           | 0               | 0               | \$0.00          | 0                      | 0           | 0               | \$0.00          |
| Reconnection               | 5                           | 3               | 2               | \$120.00        | 5                      | 3           | 2               | \$120.00        |
| Hot Water Supply           | 0                           | 0               | 0               | \$0.00          | 0                      | 0           | 0               | \$0.00          |
| Appointments               | 4                           | 4               | 0               | \$160.00        | 4                      | 4           | 0               | \$160.00        |
| Reliability - Frequency    | 0                           | 0               | 0               | \$0.00          | 0                      | 0           | 0               | \$0.00          |
| Reliability - Duration     | 0                           | 0               | 0               | \$0.00          | 0                      | 0           | 0               | \$0.00          |
| <b>Total</b>               | <b>45</b>                   | <b>39</b>       | <b>6</b>        | <b>\$980.00</b> | <b>45</b>              | <b>39</b>   | <b>6</b>        | <b>\$980.00</b> |

**Customer Initiated  
Valid GSL's - July to Sept 2007 Quarter**



**Customer Initiated  
Rejected GSL's - July to Sept 2007 Quarter**



## Customer Initiated GSL Claims – Rejection Reasons, July 2007 to September 2007

There were six Corporation Initiated GSL claims investigated and not paid due to -

- 4 x Planned Interruptions comprising -
  - 3 Planned Interruptions - Ergon confirmed that all customers were sent notification via Australia Post for each planned outage. Each of the customers confirmed that the postal address used by Ergon for the notification letters was correct
  - 1 Planned Interruption - Did not meet Regulatory Requirements - Large Customer
- 2 x Connections comprising -
  - 2 Connections - Automatically generated and paid as Corporation Initiated

