

# Minimum Service Standards & Guaranteed Service Levels Quarterly Report

July - September 2010

Revised 12 April 2011

Submitted to QCA by  
**Ergon Energy Corporation Limited**  
in accordance with the Electricity Industry Code



everything in our power



## Table of Contents

<b>Administrative Data</b> .....	3
<b>Network Performance</b> .....	3
Reliability Measures – 3 months to 30 September 2010 .....	3
Reliability Measures – Financial Year to Date (1 July 2010 to 30 September 2011) .....	4
Details of Interruptions Excluded - 3 Months to 30 September 2010 .....	5
Details of Interruptions Excluded for the Financial Year to Date (1 July 2010 to 30 June 2011) .....	6
Description of any major event days.....	7
Explanation of reasons for exceeding minimum service standards and proposals to improve performance .....	7
<b>Guaranteed Service Levels (GSLs)</b> .....	8
GSL Claims Breakdown for the Quarter and Financial Year to Date (1 July 2010 to 30 September 2010) .....	8
Explanation for Rejection of GSL Claims - 3 months to 30 September 2010.....	9

## Administrative Data

ITEM NO	MEASURE	UNIT	VALUE
1.1	<i>Distribution Network Service Provider</i>	Name	Ergon Energy Corporation Limited
1.2	<i>First day of reporting period</i>	Date	01-07-2010
1.3	<i>Last day of reporting period</i>	Date	30-09-2010

## Network Performance

(Reporting obligations under clause 2.6.2(a)(i) (A), (B), (C), (D) & (E) of the Queensland Electricity Industry Code, Fourth Edition effective 4 August 2008 ('The Code'))

### Reliability Measures – 3 months to 30 September 2010

(Results effective as at 5 October 2010, for the period ending 30 September 2010)

ITEM NO.	MEASURE	UNIT	ACTUAL NETWORK PERFORMANCE	NETWORK PERFORMANCE LESS EXCLUSIONS
	<b>System Average Interruption Duration Index (SAIDI)</b>		<i>(minutes)</i>	
	<i>Distribution system – total</i>			
	Urban	Minutes	34.56	31.80
	Short Rural	Minutes	98.83	96.57
	Long Rural	Minutes	139.57	138.61
	<i>Distribution system – planned</i>			
	Urban	Minutes	9.21	9.21
	Short Rural	Minutes	25.11	25.11
	Long Rural	Minutes	54.24	54.24
	<i>Distribution system – unplanned</i>			
	Urban	Minutes	25.35	22.59
	Short Rural	Minutes	73.72	71.46
	Long Rural	Minutes	85.33	84.37
	<b>System Average Interruption Frequency Index (SAIFI)</b>		<i>(number)</i>	
	<i>Distribution system – total</i>			
	Urban	Number	0.42	0.37
	Short Rural	Number	0.86	0.83
	Long Rural	Number	1.13	1.13
	<i>Distribution system – planned</i>			
	Urban	Number	0.06	0.06
	Short Rural	Number	0.14	0.14
	Long Rural	Number	0.29	0.29
	<i>Distribution system – unplanned</i>			
	Urban	Number	0.36	0.31
	Short Rural	Number	0.73	0.69
	Long Rural	Number	0.84	0.84

## Reliability Measures – Financial Year to Date (1 July 2010 to 30 September 2011)

(Results effective as at 5 October 2010, for the period ending 30 September 2010)

<b>ITEM NO.</b>	<b>MEASURE</b>	<b>UNIT</b>	<b>ACTUAL NETWORK PERFORMANCE</b>	<b>NETWORK PERFORMANCE LESS EXCLUSIONS</b>
	<b>System Average Interruption Duration Index (SAIDI)</b>		<b>(minutes)</b>	
	<i>Distribution system – total</i>			
	Urban	Minutes	34.56	31.80
	Short Rural	Minutes	98.83	96.57
	Long Rural	Minutes	139.57	138.61
	<i>Distribution system – planned</i>			
	Urban	Minutes	9.21	9.21
	Short Rural	Minutes	25.11	25.11
	Long Rural	Minutes	54.24	54.24
	<i>Distribution system – unplanned</i>			
	Urban	Minutes	25.35	22.59
	Short Rural	Minutes	73.72	71.46
	Long Rural	Minutes	85.33	84.37
	<b>System Average Interruption Frequency Index (SAIFI)</b>		<b>(number)</b>	
	<i>Distribution system – total</i>			
	Urban	Number	0.42	0.37
	Short Rural	Number	0.86	0.83
	Long Rural	Number	1.13	1.13
	<i>Distribution system – planned</i>			
	Urban	Number	0.06	0.06
	Short Rural	Number	0.14	0.14
	Long Rural	Number	0.29	0.29
	<i>Distribution system – unplanned</i>			
	Urban	Number	0.36	0.31
	Short Rural	Number	0.73	0.69
	Long Rural	Number	0.84	0.84

## Details of Interruptions Excluded - 3 Months to 30 September 2010

(Results effective as at 5 October 2010, for the period ending 30 June 2011)

	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; <sup>1</sup>	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	2.46	1.68	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	0.00	0.00	0.00
(d) an interruption caused by a customer's electrical installation or failure of that electrical installation.	0.29	0.58	0.96
<b>Total SAIDI for all Exclusion Events</b>	<b>2.76</b>	<b>2.26</b>	<b>0.96</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	0.04	0.03	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	0.00	0.00	0.00
(d) an interruption caused by a customer's electrical installation or failure of that electrical installation.	0.00	0.00	0.00
<b>Total SAIFI for all Exclusion Events</b>	<b>0.05</b>	<b>0.04</b>	<b>0.00</b>

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

Note: Data is rounded to two decimal places which may impact totals.

## Details of Interruptions Excluded for the Financial Year to Date (1 July 2010 to 30 June 2011)

(Results effective as at 5 October 2010, for the period ending 30 June 2011)

	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	2.46	1.68	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	0.00	0.00	0.00
(d) an interruption caused by a customer's electrical installation or failure of that electrical installation.	0.29	0.58	0.96
<b>Total SAIDI for all Exclusion Events</b>	<b>2.76</b>	<b>2.26</b>	<b>0.96</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	0.04	0.03	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	0.00	0.00	0.00
(d) an interruption caused by a customer's electrical installation or failure of that electrical installation.	0.00	0.00	0.00
<b>Total SAIFI for all Exclusion Events</b>	<b>0.05</b>	<b>0.04</b>	<b>0.00</b>

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

Note: Data is rounded to two decimal places which may impact totals

## Description of any major event days

During the September quarter, Ergon Energy registered no Major Event Days (MED) for the period using the 2.5 beta exclusion event method, which classifies a MED to be any day with a daily SAIDI value greater than the 2010-11 MED Threshold (TMED) of 6.24 system minutes.

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

During the July-September 2010 Quarter, almost all of Queensland experienced higher than average rainfall, with large areas of Queensland experiencing record high rainfalls in September 2010. Much of this rainfall was the result of unseasonably early severe thunderstorm and lightning activity, which consequently impacted Ergon Energy's unplanned outage performance.

Despite these unusually wet conditions, Ergon Energy's cumulative actual reliability performance for July and August 2010 were generally at or better than the cumulative seasonalised Minimum Service Standards (MSS) for those months. However, the early severe thunderstorm activity during September 2010 gave rise to cumulative reliability performance for three of the six reliability measures that was worse than the cumulative seasonalised MSS for the July-September 2010 Quarter. In particular, the unprecedented weather conditions adversely impacted Ergon Energy's unplanned outage performance for the Urban and Short Rural feeder categories, which is reflected in the overall performance against the seasonalised MSS for these feeders.

Ergon Energy places a high priority on achieving the MSS and continues to use its best endeavours to meet its annual MSS obligations. We continue to monitor, assess, analyse and undertake the necessary remedial action to ensure performance levels that will achieve the MSS in 2010-11 and in future years. In particular, Ergon Energy has put significant focus on its operational practices to improve the response time to unplanned outages and the management of planned outages in order to meet the MSS for 2010-11.

In addition, Ergon Energy is also implementing many improvement strategies for reliability improvement through its major capital works projects. Specifically, Ergon Energy has developed a whole-of-business plan for operating under the Australian Energy Regulator's (AER) Service Target Performance Incentive Scheme (STPIS) and MSS Management Plan with the objective of meeting the MSS during the 2010-15 regulatory control period and managing our operations in the context of the AER's STPIS.

The strategies in the STPIS/MSS Management Plan are structured around a three-tiered approach to address unplanned outages:

1. Reduce Events; (reduces SAIDI and SAIFI);
2. Reduce Impacts; (reduces SAIDI and SAIFI); and
3. Improve Response.(reduces SAIDI)

In addition, a three-tiered approach has also been developed to address planned outages:

1. Reduce Events; (reduces SAIDI and SAIFI);
2. Reduce Impacts; (reduces SAIDI and SAIFI); and
3. Minimise Duration. (reduces SAIDI)

A comprehensive list of the 42 strategies and initiatives being undertaken are detailed in the accompanying *MSS 2010-11 End-of-Year Projection Report*.

## Guaranteed Service Levels (GSLs)

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

### GSL Claims Breakdown for the Quarter and Financial Year to Date (1 July 2010 to 30 September 2010)

During the September 2010 quarter there were 917 GSL claims paid to customers which is a 268% increase on the same quarter in the prior year (249 claims were paid in the September 2009 quarter). This increase is due to the requirement as of 1 July 2010 for Ergon Energy to use its best endeavours to automatically give a GSL payment to customers eligible to receive GSLs under clauses 2.5.3 to 2.5.9 of the Electricity Industry Code.

Despite these increases in GSL claims compared to the September quarter 2009, the actual total GSL amount paid to customers in the September quarter 2010 is less than that potential GSL amount predicted by Ergon Energy for the September quarter 2010. This is due to higher levels of awareness and accountability within the business.

#### Number of GSL Payments – July – September 2010<sup>2</sup>

Type of GSL	July 2010 to September 2010		Financial Year to Date	
	No. of Claims Accepted and Paid	Amount Paid	No. of Claims Accepted and Paid	Amount Paid
Planned Interruption (Bus)	174	\$ 11,310.00	174	\$11,310
Planned Interruption (Res)	581	\$ 15,139.00	581	\$15,139
Connection	20	\$ 3,006.00	20	\$3,006
Wrongful Disconnection	52	\$ 6,640.00	52	\$6,640
Reconnection	16	\$ 1,016.00	16	\$1,016
Hot Water Supply	1	\$ 52.00	1	\$52
Appointments	39	\$ 2,016.00	39	\$2,016
Reliability - Frequency	0	\$ -	0	\$0
Reliability - Duration	34	\$ 3,536.00	34	\$3,536
<b>Total</b>	<b>917</b>	<b>\$ 42,715</b>	<b>917</b>	<b>\$42,715</b>

#### Number of GSL Claims received and Number of GSL Claims Rejected – July – September 2010<sup>3</sup>

Type of GSL	July 2010 to September 2010		Financial Year to Date	
	No. of Claims Raised	No. of Claims Investigated and Not Paid	No. of Claims Raised	No. of Claims Investigated and Not Paid
Planned Interruption (Bus)	13	11	13	11
Planned Interruption (Res)	66	42	66	42
Connection	2	0	2	0
Wrongful Disconnection	0	0	0	0
Reconnection	14	5	14	5
Hot Water Supply	0	0	0	0
Appointments	9	1	9	1
Reliability - Frequency	3	3	3	3
Reliability - Duration	35	2	35	2
<b>Total</b>	<b>142</b>	<b>64</b>	<b>142</b>	<b>64</b>

<sup>2</sup> Figures reported include both GSL claims made / raised by customers and GSL claims automatically identified and raised for investigation and payment by Ergon Energy (as per clause 2.5.11(a) of the Electricity Industry Code).

<sup>3</sup> The Number of Claims Investigated and Not Paid reflect customer initiated claims raised for investigation, which are subsequently found not to be valid GSL claims as per requirements under the Electricity Industry Code (rejected GSLs). Refer to the "Explanation for Rejection of GSL Claims" for further details on rejected GSL claims.

## Explanation for Rejection of GSL Claims - 3 months to 30 September 2010

Ergon Energy rejected 64 customer initiated GSL claims during the July - September 2010 quarter.

Reasons for rejection of each of these GSL claims are summarised below:

- 5 Reconnection
  - 3 x No Appointment time set (Not Valid)
  - 1 x Customer was reconnected on required date
  - 1 x Incorrectly entered into system (another claim raised and paid)
- 11 Planned Interruption (Bus)
  - 10 x Entered Incorrectly - Automated GSL raised and paid
  - 1 x Customer was advised of outage
- 42 Planned Interruption (Res)
  - 16 x Entered Incorrectly - Automated GSL raised and paid
  - 23 x Customer was advised of outage
  - 3 x Unplanned outage caused by Planned Outage
- 1 Appointment
  - 1 x Input error (Not Valid)
- 3 Reliability of Supply (Frequency)
  - 3 x Customer did not meet Government Regulated threshold for Frequency GSL
- 2 Reliability of Supply (Duration)
  - 2x Customer did not meet Government Regulated threshold for Duration GSL

Please direct queries or feedback on this report to:

Carmel Price

Group Manager Regulatory Affairs

Ergon Energy Corporation Limited

Telephone 07 4121 9545