

Minimum Service Standards & Guaranteed Service Levels Quarterly Report

October - December 2010

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



everything in our power



Table of Contents

Administrative Data	3
Network Performance	3
Reliability Measures – 3 months to 31 December 2010	3
Reliability Measures – Financial Year to Date (1 July 2010 to 31 December 2010)	4
Details of Interruptions Excluded - 3 Months to 31 December 2010	5
Details of Interruptions Excluded for the Financial Year to Date (1 July 2010 to 31 December 2010)	6
Description of any major event days.....	7
Explanation of reasons for exceeding minimum service standards and proposals to improve performance	7
Guaranteed Service Levels (GSLs)	8
GSL Claims Breakdown for the Quarter and Financial Year to Date (1 July 2010 to 31 December 2010)	8
Explanation for Rejection of GSL Claims - 3 months to 31 December 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	01-10-2010
1.3	<i>Last day of reporting period</i>	Date	31-12-2010

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 31 December 2010

(Results effective as at 8 January 2011, for the period ending 31 December 2010)

ITEM NO.	MEASURE	UNIT	ACTUAL NETWORK PERFORMANCE	NETWORK PERFORMANCE LESS EXCLUSIONS
	System Average Interruption Duration Index (SAIDI)		<i>(minutes)</i>	
	<i>Distribution system – total</i>			
	Urban	Minutes	58.51	47.44
	Short Rural	Minutes	163.11	134.92
	Long Rural	Minutes	421.84	290.43
	<i>Distribution system – planned</i>			
	Urban	Minutes	6.70	6.70
	Short Rural	Minutes	19.41	19.41
	Long Rural	Minutes	30.75	30.75
	<i>Distribution system – unplanned</i>			
	Urban	Minutes	51.81	40.74
	Short Rural	Minutes	143.71	115.51
	Long Rural	Minutes	391.10	259.68
	System Average Interruption Frequency Index (SAIFI)		<i>(number)</i>	
	<i>Distribution system – total</i>			
	Urban	Number	0.60	0.50
	Short Rural	Number	1.26	1.06
	Long Rural	Number	1.75	1.60
	<i>Distribution system – planned</i>			
	Urban	Number	0.05	0.05
	Short Rural	Number	0.12	0.12
	Long Rural	Number	0.15	0.15
	<i>Distribution system – unplanned</i>			
	Urban	Number	0.55	0.45
	Short Rural	Number	1.13	0.94
	Long Rural	Number	1.60	1.45

Reliability Measures – Financial Year to Date (1 July 2010 to 31 December 2010)

(Results effective as at 8 January 2011, for the period ending 31 December 2010)

<u>ITEM NO.</u>	<u>MEASURE</u>	<u>UNIT</u>	<u>ACTUAL NETWORK PERFORMANCE</u>	<u>NETWORK PERFORMANCE LESS EXCLUSIONS</u>
	System Average Interruption Duration Index (SAIDI)		(minutes)	
	<i>Distribution system – total</i>			
	Urban	Minutes	93.07	79.24
	Short Rural	Minutes	261.95	231.50
	Long Rural	Minutes	561.42	429.04
	<i>Distribution system – planned</i>			
	Urban	Minutes	15.91	15.91
	Short Rural	Minutes	44.52	44.52
	Long Rural	Minutes	84.98	84.98
	<i>Distribution system – unplanned</i>			
	Urban	Minutes	77.15	63.33
	Short Rural	Minutes	217.43	186.98
	Long Rural	Minutes	476.43	344.05
	System Average Interruption Frequency Index (SAIFI)		(number)	
	<i>Distribution system – total</i>			
	Urban	Number	1.02	0.87
	Short Rural	Number	2.12	1.89
	Long Rural	Number	2.88	2.72
	<i>Distribution system – planned</i>			
	Urban	Number	0.11	0.11
	Short Rural	Number	0.26	0.26
	Long Rural	Number	0.43	0.43
	<i>Distribution system – unplanned</i>			
	Urban	Number	0.91	0.76
	Short Rural	Number	1.86	1.63
	Long Rural	Number	2.44	2.29

Details of Interruptions Excluded - 3 Months to 31 December 2010

(Results effective as at 8 January 2011, for the period ending 31 December 2010)

	Urban	SR	LR
System Average Interruption Duration Index (SAIDI)			
<i>(minutes)</i>			
(a) an interruption of a duration of one minute or less;			
(b) an interruption resulting from:			
(i) load shedding due to a shortfall in generation; ¹	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			
(iv) a failure of the shared transmission grid; or	1.14	1.39	0.25
(v) a direction by a police officer or another authorised person exercising powers in relation to public safety;	4.82	8.03	45.43
(c) any interruption to the supply of electricity on a distribution entity's supply network which commences on a major event day; and	4.45	16.99	82.92
(d) an interruption caused by a customer's electrical installation or failure of that electrical installation.	0.66	1.78	2.81
Total SAIDI for all Exclusion Events	11.07	28.19	131.42
System Average Interruption Frequency Index (SAIFI)			
<i>(number)</i>			
(a) an interruption of a duration of one minute or less;			
(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			
(iv) a failure of the shared transmission grid; or	0.05	0.06	0.01
(v) a direction by a police officer or another authorised person exercising powers in relation to public safety;	0.00	0.01	0.01
(c) any interruption to the supply of electricity on a distribution entity's supply network which commences on a major event day; and	0.04	0.06	0.07
(d) an interruption caused by a customer's electrical installation or failure of that electrical installation.	0.01	0.06	0.05
Total SAIFI for all Exclusion Events	0.10	0.19	0.15

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

Details of Interruptions Excluded for the Financial Year to Date (1 July 2010 to 31 December 2010)

(Results effective as at 8 January 2011, for the period ending 31 December 2010)

	Urban	SR	LR
System Average Interruption Duration Index (SAIDI)			
<i>(minutes)</i>			
(a) an interruption of a duration of one minute or less;			
(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			
(iv) a failure of the shared transmission grid; or	3.61	3.06	0.25
(v) a direction by a police officer or another authorised person exercising powers in relation to public safety;	4.82	8.03	45.43
(c) any interruption to the supply of electricity on a distribution entity's supply network which commences on a major event day; and	4.45	16.99	82.92
(d) an interruption caused by a customer's electrical installation or failure of that electrical installation.	0.95	2.36	3.78
Total SAIDI for all Exclusion Events	13.83	30.45	132.38
System Average Interruption Frequency Index (SAIFI)			
<i>(number)</i>			
(a) an interruption of a duration of one minute or less;			
(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			
(iv) a failure of the shared transmission grid; or	0.09	0.10	0.01
(v) a direction by a police officer or another authorised person exercising powers in relation to public safety;	0.00	0.01	0.01
(c) any interruption to the supply of electricity on a distribution entity's supply network which commences on a major event day; and	0.04	0.06	0.07
(d) an interruption caused by a customer's electrical installation or failure of that electrical installation.	0.01	0.07	0.06
Total SAIFI for all Exclusion Events	0.15	0.23	0.15

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

Description of any major event days

During the December 2010 quarter, Ergon Energy registered two 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 8.06 system minutes.

The two MEDs occurred on the 27th and 28th of December and were due to the significant flooding experienced by Central and Southern Queensland.

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

During the October to December 2010 Quarter, almost all of Queensland experienced higher than average rainfall, with large areas of Queensland experiencing the wettest December on record. Much of this rainfall was the result of severe thunderstorm and lightning activity and widespread flooding following Cyclone Tasha.

Despite these unusually wet conditions, Ergon Energy's cumulative actual reliability performance for October and November 2010 and up to mid December 2010 were generally at or better than the cumulative seasonalised Minimum Service Standards (MSS) for those months. However, the severe flooding following Cyclone Tasha in late December 2010 gave rise to cumulative reliability performance for two of the six reliability measures that was worse than the cumulative seasonalised MSS for the six month period to December 2010. 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. Nevertheless, the unplanned performance results have improved for 5 out of the 6 reliability measures compared to the same period last year.

By contrast, Ergon Energy's planned outage performance during the period July-December 2010 is significantly better than the same period in 2009, which is directly due to the reinstatement of live-line working and the implementation of a number of reliability-focussed initiatives.

It is important to note that in the month since the completion of the October to December 2010 Quarter, despite wetter than normal conditions prevailing across Queensland (driven by Cyclone Tasha) and Cyclone Anthony hitting the coast at the end of January, Ergon Energy's reliability performance has improved, with current performance (as at the end of January 2011) meeting five MSS (seasonalised targets). However, Category 5 Cyclone Yasi significantly impacted Ergon Energy's network at the beginning of February 2011 and reconstruction work is continuing. The impact of Cyclone Yasi on Ergon Energy's reliability performance will be discussed in more detail in the January to March 2011 quarter report.

Further information including a list of 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 31 December 2010)

During the December quarter there were 848 GSL claims paid to customers. This is reflective of the substantial impact of the effects of Tropical Cyclone Tasha and extensive flooding across regional QLD over the period of November through to December.

The month of December saw 320 Reliability - Duration GSL payments made to customers, as a result of extensive delays in restoring supply due to limited access to locations as a result of the flooding. This was exacerbated by the extent of the outages and the number of customers affected.

It is anticipated that GSL payments for the January – March 2011 quarter will also be impacted by the wide spread flooding which has affected much of Ergon Energy's network.

Number of GSL Payments – October – December 2010²

Type of GSL	October - December Qtr		FINANCIAL YEAR TO DATE	
	No. of Claims Accepted and Paid	Amount Paid	No. of Claims Accepted and Paid	Amount Paid
Planned Interruption (Bus)	70	\$ 4,550	255	\$15,860
Planned Interruption (Res)	358	\$ 9,308	981	\$24,447
Connection	20	\$ 2,132	46	\$5,138
Wrongful Disconnection	49	\$ 6,370	108	\$13,010
Reconnection	3	\$ 156	27	\$1,172
Hot Water Supply	2	\$ 208	3	\$260
Appointments	26	\$ 1,352	77	\$3,368
Reliability - Frequency	-	\$ -	-	\$0
Reliability - Duration	320	\$ 33,280	355	\$36,816
Total	848	\$ 57,356	1,960	\$100,071

Number of Customer Initiated GSL Claims accepted and paid – October – December 2010³

Type of GSL	October - December Qtr		FINANCIAL YEAR TO DATE	
	No. of Claims Accepted and Paid	Amount Paid	No. of Claims Accepted and Paid	Amount Paid
Planned Interruption (Bus)	31	\$ 2,015	203	\$ 13,195
Planned Interruption (Res)	14	\$ 364	571	\$ 14,846
Connection	-	\$ -	18	\$ 2,928
Wrongful Disconnection	-	\$ -	52	\$ 6,640
Reconnection	2	\$ 104	9	\$ 676
Hot Water Supply	-	\$ -	1	\$ 52
Appointments	5	\$ 260	36	\$ 1,872
Reliability - Frequency	-	\$ -	-	\$ -
Reliability - Duration	-	\$ -	1	\$ 104
Total	52	\$ 2,743	891	\$ 40,313

² 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).

³ 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.

Number of Customer Initiated GSL Claims rejected – October – December 2010⁴

Type of GSL	October - Decemeber Qtr		FINANCIAL YEAR TO DATE	
	No. of Claims Received	No. of Claims Rejected	No. of Claims Received	No. of Claims Rejected
Planned Interruption (Bus)	33	2	205	2
Planned Interruption (Res)	20	6	577	6
Connection	-	-	24	6
Wrongful Disconnection	-	-	59	7
Reconnection	4	2	14	5
Hot Water Supply	-	-	1	-
Appointments	8	3	50	14
Reliability - Frequency	-	-	-	-
Reliability - Duration	5	5	110	109
Total	70	18	1,040	149

Explanation for Rejection of GSL Claims - 3 months to 31 December 2010

Ergon Energy rejected 18 customer initiated GSL claims during the October - December 2010 quarter.

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

- 2 Reconnection
 - 1 x Reconnection occurred, mechanic left main switch in current state (off)
 - 1 x Customer advised mechanic to turn off main switch
- 2 Planned Interruption (Bus)
 - 1 x Automated GSL raised and paid
 - 1 x Customer did not meet Government criteria
- 6 Planned Interruption (Res)
 - 4 x Invalid claims – notice sent to customer
 - 1 x planned outage resulted in unplanned outage
 - 1 x Automated GSL raised and paid
- 3 Appointment
 - 2 x Automated GSL raised and paid
 - 1 x Appointment not required
- 5 Reliability of Supply (Duration)
 - 3 x Customer did not meet Government Regulated threshold for Duration GSL
 - 1 x Automated GSL raised and paid
 - 1 x Natural disaster declared – not eligible

⁴ 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.

Please direct queries or feedback on this report to:

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