

Minimum Service Standards & Guaranteed Service Levels Quarterly Report

April - June 2010

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



everything in our power



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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	01-04-2010
1.3	<i>Last day of reporting period</i>	Date	30-06-2010

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 June 2010

(Results effective as at 6 July 2010, for the period ending 30 June 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	27.18	26.79
	Short Rural	Minutes	95.79	95.12
	Long Rural	Minutes	136.91	135.83
	<i>Distribution system – planned</i>			
	Urban	Minutes	7.87	7.87
	Short Rural	Minutes	36.75	36.75
	Long Rural	Minutes	53.08	53.08
	<i>Distribution system – unplanned</i>			
	Urban	Minutes	19.32	18.93
	Short Rural	Minutes	59.03	58.36
	Long Rural	Minutes	83.82	82.75
	System Average Interruption Frequency Index (SAIFI)		<i>(number)</i>	
	<i>Distribution system – total</i>			
	Urban	Number	0.31	0.31
	Short Rural	Number	0.93	0.93
	Long Rural	Number	1.06	1.05
	<i>Distribution system – planned</i>			
	Urban	Number	0.05	0.05
	Short Rural	Number	0.26	0.26
	Long Rural	Number	0.31	0.31
	<i>Distribution system – unplanned</i>			
	Urban	Number	0.26	0.25
	Short Rural	Number	0.67	0.67
	Long Rural	Number	0.75	0.75

Reliability Measures – Financial Year to Date (1 July 2009 to 30 June 2010)

(Results effective as at 6 July 2010, for the period ending 30 June 2010)

ITEM NO.	MEASURE	UNIT	ACTUAL NETWORK PERFORMANCE	NETWORK PERFORMANCE LESS EXCLUSIONS
	System Average Interruption Duration Index (SAIDI)		(minutes)	
	<i>Distribution system – total</i>			
	Urban	Minutes	517.68	221.74
	Short Rural	Minutes	1031.26	542.89
	Long Rural	Minutes	1154.76	995.19
	<i>Distribution system – planned</i>			
	Urban	Minutes	76.96	75.81
	Short Rural	Minutes	198.53	197.24
	Long Rural	Minutes	320.95	319.06
	<i>Distribution system – unplanned</i>			
	Urban	Minutes	440.72	145.93
	Short Rural	Minutes	832.72	345.66
	Long Rural	Minutes	833.81	676.13
	System Average Interruption Frequency Index (SAIFI)		(number)	
	<i>Distribution system – total</i>			
	Urban	Number	2.62	2.25
	Short Rural	Number	5.05	4.58
	Long Rural	Number	7.53	7.19
	<i>Distribution system – planned</i>			
	Urban	Number	0.43	0.43
	Short Rural	Number	1.04	1.02
	Long Rural	Number	1.69	1.68
	<i>Distribution system – unplanned</i>			
	Urban	Number	2.19	1.83
	Short Rural	Number	4.02	3.56
	Long Rural	Number	5.84	5.51

Details of Interruptions Excluded - 3 Months to 30 June 2010

(Results effective as at 6 July 2010, for the period ending 30 June 2010)

	Urban	SR	LR
System Average Interruption Duration Index (SAIDI)			
<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; 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	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	0.00	0.00	0.00
(d) an interruption caused by a customer's electrical installation or failure of that electrical installation.	0.39	0.67	1.08
Total SAIDI for all Exclusion Events	0.39	0.67	1.08
System Average Interruption Frequency Index (SAIFI)			
<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	0.00	0.00	0.00
(d) an interruption caused by a customer's electrical installation or failure of that electrical installation.	0.00	0.00	0.01
Total SAIFI for all Exclusion Events	0.00	0.00	0.01

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

Details of Interruptions Excluded for the Financial Year to Date (1 July 2009 to 30 June 2010)

(Results effective as at 6 July 2010, for the period ending 30 June 2010)

	Urban	SR	LR
System Average Interruption Duration Index (SAIDI)			
<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;	6.95	2.58	9.52
(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	2.47	2.60	4.13
(v) a direction by a police officer or another authorised person exercising powers in relation to public safety;	0.00	0.61	3.39
(c) any interruption to the supply of electricity on a distribution entity's supply network which commences on a major event day; and	283.85	475.77	135.38
(d) an interruption caused by a customer's electrical installation or failure of that electrical installation.	2.67	6.81	7.16
Total SAIDI for all Exclusion Events	295.94	488.36	159.57
System Average Interruption Frequency Index (SAIFI)			
<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;	0.03	0.02	0.04
(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	0.06	0.10	0.12
(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	0.25	0.34	0.16
(d) an interruption caused by a customer's electrical installation or failure of that electrical installation.	0.02	0.03	0.03
Total SAIFI for all Exclusion Events	0.37	0.47	0.34

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

Description of any major event days

During the June 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 2009-10 MED Threshold (TMED) of 7.49 system minutes.

Ergon Energy notes that there was a significant increase in reported exclusions between the January – March Quarter 2010 and the April-June Qtr 2010. This increase can be attributed to the large number of events relating to Tropical Cyclone Ului that hit Mackay / Proserpine area late in the January - March Quarter. As a result, a large amount of priority repair work was carried out between March – May which is reflected across both quarterly results.

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

The April-June 2010 quarter has seen an overall improvement in network reliability performance (both SAIDI and SAIFI) in comparison to the previous January-March 2010 quarter. Ergon Energy's unplanned outage performance for all three feeder categories has improved, in contrast to both the previous January-March quarter and the 2008-09 End Of Year performance results.

Despite this overall performance improvement in comparison to the 2008-09 year when the Minimum Service Standards were not as onerous, the year-to-date reliability performance remained significantly impacted by the increase in planned outages across the state in the first half of the 2009-10 year as a result of the suspension of live line work practices (February 2009 – December 2009), and both planned and unplanned outages being affected by operating restrictions placed on Air Brake Switches (ABSs).

The consistent impact of adverse weather across the Ergon Energy network throughout the monsoonal period coupled with the operational factors noted above were the key contributors to the unfavourable performance results in the 2009-10 year.

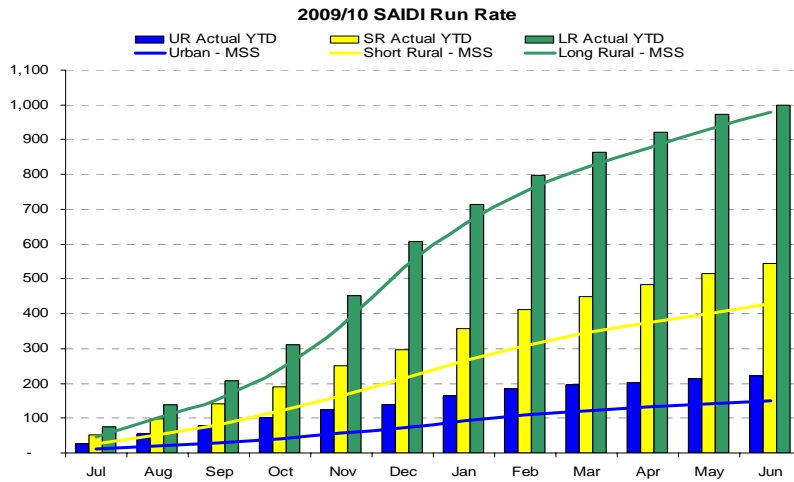
Future Reporting

Commencing in the July to September 2010 quarterly report, Ergon Energy will provide additional analysis that will set out its expected end of year reliability performance, projected forward and adjusted to take account of historical seasonal factors (such as the summer storm and cyclone season). This analysis will be updated each quarter to reflect the most recent year to date reliability performance data.

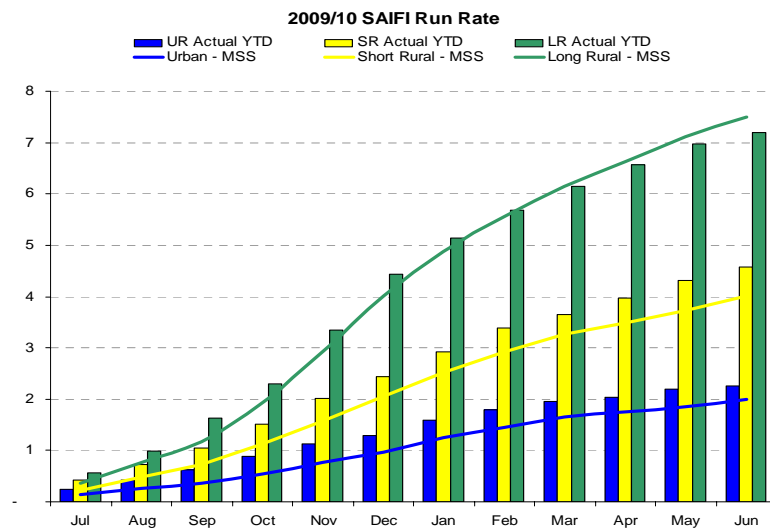
Where Ergon Energy becomes aware that it may not meet its annual minimum service standard requirements, an explanation will be provided of the strategies and actions that Ergon Energy will take in order to meet the annual minimum service standards.

SAIDI and SAIFI Run Rate Graphs for the Financial Year to Date

(Results effective as at 6 July 2010, for the period ending 30 June 2010)



Feeder Type	SAIDI Network Performance less MSS exclusions (Actual)	SAIDI MSS Run Rate Limits
Urban (UR)	222	150
Short Rural (SR)	544	430
Long Rural (LR)	999	980



Feeder Type	SAIFI Network Performance less MSS exclusions (Actual)	SAIFI MSS Run Rate Limits
Urban (UR)	2.25	2.00
Short Rural (SR)	4.58	4.00
Long Rural (LR)	7.19	7.50

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 April 2010 to 30 June 2010)²

Type of GSL	April 2010 to June 2010				Financial Year to Date			
	No. of Claims Raised	No. of Claims Accepted and Paid	No. of Claims Investigated and Not Paid	Amount Paid	No. of Claims Raised	No. of Claims Accepted and Paid	No. of Claims Investigated and Not Paid	Amount Paid
Planned Interruption (Bus)	7	3	4	\$150.00	40	22	18	\$1,100.00
Planned Interruption (Res)	119	105	14	\$2,100.00	434	342	92	\$6,840.00
Connection	44	30	14	\$3,860.00	122	85	37	\$9,270.00
Wrongful Disconnection	65	53	12	\$5,300.00	303	231	72	\$23,100.00
Reconnection	20	16	4	\$680.00	53	36	17	\$1,600.00
Hot Water Supply	1	1	0	\$40.00	8	2	6	\$360.00
Appointments	15	12	3	\$480.00	51	40	11	\$1,600.00
Reliability - Frequency	10	9	1	\$720.00	36	10	26	\$800.00
Reliability - Duration	15	1	14	\$80.00	116	32	84	\$2,560.00
Total	296	230	66	\$13,410	1,163	800	363	\$47,230

The April-June 2010 quarter saw a significant increase in the number of valid GSL claims paid in comparison to the January-March 2010 quarter. A large component of this increase is the number of Residential Planned Outage GSL payments, which contributed to 46% (105) of the total number of valid GSL claims made in the April-June 2010 quarter.

The number of Residential Planned Outages GSLs was influenced by the increase in customer calls to the National Contact Centre in response to the elevated level of planned outages in the April-June 2010 quarter. Many of these calls resulted in automated valid GSL claims being raised (Ergon Energy has continued to implement its corporation initiated automatic GSL payment system in the April-June 2010 quarter, in advance of the new Electricity Industry Code requirements that took effect on 1 July 2010).

Ergon Energy anticipates that the number of Residential Planned Outages GSLs in the July-September 2010 quarter will reduce following the completion of the necessary works to address the impact of the severe weather events in the January-March 2010 quarter.

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

Ergon Energy rejected 66 GSL claims during the June 2010 quarter. Of these, 40 related to GSL claims made by customers. The remaining 26 GSL claims rejected related to GSL claims automatically identified and raised for investigation by Ergon Energy which were subsequently assessed and rejected.

Definitions / Notes:

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*).

The Number of Claims Investigated and Not Paid reflect claims raised for investigation, which are subsequently found not to be valid GSL claims as per requirements under the *Electricity Industry Code* (rejected GSLs). Rejected GSLs can arise from both customer initiated GSL claims and corporate initiated GSL claims. Refer to the "Explanation for Rejection of GSL Claims" for further details on rejected GSL claims.

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

- 14 Connection
 - 10 x Customer in Natural Disaster area (Crews unable to reach customer)
 - 1 x Customer had defects
 - 1 x Depot entered meters incorrectly
 - 1 x Customer already paid an automated GSL (invalid claim)
 - 1 x Mistakenly raised as GSL instead of claim
- 12 Wrongful Disconnection
 - 4 x Customer didn't provide sufficient details for application
 - 2 x Customer disconnected for debt - payment arrangements not kept
 - 3 x Incorrectly entered into system (Another claim raised and paid)
 - 1 x Customer required different date, but did not advise Ergon Energy
 - 2 x Mechanic disconnected correct premise
- 4 Reconnection
 - 2 x Incorrect date entered
 - 1 x Customer was reconnected on required date
 - 1 x incorrectly entered into system (another claim raised and paid)
- 4 Planned Interruption (Bus)
 - 3 x Not eligible, large customer.
 - 1 x Customer was advised of outage
- 14 Planned Interruption (Res)
 - 11 x Customer was advised of Outage
 - 1 x Unplanned Outage caused by Planned Outage
 - 1 x Already paid on another claim
 - 1 x mistakenly raised as GSL instead of claim
- 3 Appointment
 - 1 x Ergon Energy's records show Appointment times met successfully
 - 1 x No appointment existed
 - 1 x Ergon Energy's record show that no access was available for appointment time
- 1 Reliability of Supply (Freq)
 - 1 x Customer did not meet Government regulated threshold for Frequency GSL
- 14 Reliability of Supply (Dur)
 - 14 x Customer in Natural Disaster area (Crews unable to reach customer through flood waters)

Please direct queries or feedback on this report to:

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