

Draft decision

Review of Guaranteed Service Levels to apply in Queensland from 1 July 2025

July 2023

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SUBMISSIONS

Closing date for submissions: 1 September 2023

Public involvement is an important element of the decision-making processes of the Queensland Competition Authority (QCA). Therefore, submissions are invited from interested parties concerning its assessment of Guaranteed Service Levels to apply in Queensland from 1 July 2025. The QCA will take account of all submissions received within the stated timeframes.

Submissions, comments or inquiries regarding this paper should be directed to:

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Tel (07) 3222 0555
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In the interests of transparency and to promote informed discussion and consultation, the QCA intends to make all submissions publicly available. However, if a person making a submission believes that information in the submission is confidential, that person should claim confidentiality in respect of the document (or the relevant part of the document) at the time the submission is given to the QCA and state the basis for the confidentiality claim.

The assessment of confidentiality claims will be made by the QCA in accordance with the *Queensland Competition Authority Act 1997*, including an assessment of whether disclosure of the information would damage the person's commercial activities and considerations of the public interest.

Claims for confidentiality should be clearly noted on the front page of the submission. The relevant sections of the submission should also be marked as confidential, so that the remainder of the document can be made publicly available. It would also be appreciated if two versions of the submission (i.e., a complete version and another excising confidential information) could be provided.

A confidentiality claim template is available on [our website](#). We encourage stakeholders to use this template when making confidentiality claims. The confidentiality claim template provides guidance on the type of information that would assist our assessment of claims for confidentiality.

Public access to submissions

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1 ABOUT THIS REVIEW

1.1 What are GSLs?

The Electricity Distribution Network Code (EDNC) requires distribution network service providers (DNSPs) to meet targets for their quality of service to customers.¹ These targets relate to the frequency and duration of customer outages as well as things like the timeliness of connections, reconnections and notices of planned interruptions.

Guaranteed Service Level (GSL) payments acknowledge the inconvenience customers experience when they receive poor reliability or service from their DNSP. They are not intended to provide compensation for loss or inconvenience arising from poor reliability or service performance.

Individual small customers may be eligible for GSL payments when their DNSP fails to meet these targets. The current GSLs and payments are set out in Table 1.

Table 1 Queensland GSLs and GSL thresholds and payments, 2020–25

<i>GSL</i>	<i>Threshold</i>	<i>GSL payment</i>
Wrongful disconnection	When a disconnection is wrongful under the electricity legislation ²	\$155
Connection	Connection is not provided by the agreed date	\$62 per day
Reconnection	Reconnection is not provided within the required time	\$62 per day
Appointments	Failure to attend appointments on time	\$62
Planned interruptions	Notice of a planned interruption to supply is not given	\$31 (residential) \$77 (small business)
Reliability – interruption duration	CBD feeder: duration >8 hours Urban or short rural feeder: duration >18 hours Long rural or isolated feeder: duration >24 hours ³	\$124
Reliability – interruption frequency ^a	Number of interruptions in a financial year— • Energex: CBD feeder, 10, urban feeder, 13; short rural feeder, 21 • Ergon Energy: urban feeder, 13; short rural, long rural and isolated feeders, 21	\$124
Annual payment limits: If a DNSP breaches a GSL threshold, they are required to pay the GSL amount to a customer up to an annual limit (cap) of \$496. Payments for wrongful disconnection are uncapped for individual customers.		

a A customer is not entitled to more than one interruption frequency GSL payment in a financial year.

Source: Electricity Distribution Network Code, clauses 2.3.3 to 2.3.10.

¹ See clause 2.3 of the Electricity Distribution Network Code for more information on these targets.

² 'Electricity legislation' is defined under the Electricity Distribution Network Code, section 6.1, as meaning the *Electricity Act 1994* (Qld), *Electrical Safety Act 2002* (Qld), *Electricity National Electricity Scheme (Queensland) Act 1997* (Qld), *National Energy Retail Law (Queensland) Act 2014* (Qld), and regulations, standards, codes, protocols and rules made under those Acts.

³ Definitions of 'CBD feeder', 'urban feeder', 'short rural feeder', 'long rural feeder' and 'isolated feeder' are in the Electricity Distribution Network Code, section 6.1.

1.2 Review requirements

1.2.1 Consultation process

The EDNC requires the QCA to review the GSLs and GSL payment amounts to apply at the beginning of each regulatory control period.⁴ The next regulatory control period commences on 1 July 2025. The purpose of this review is to determine whether the current GSL arrangements remain appropriate or whether any changes should apply from 1 July 2025.

This draft decision is the second step in our review process, following the release of our March 2023 consultation paper that sought stakeholder submissions. This draft decision outlines our preliminary views from our review of the GSL scheme to apply for the 2025–30 regulatory control period.

Stakeholders are invited to make a written submission on our draft decision or any other issues relevant to our review. Information on making a submission, as well as our online submission form, is available on our [website](#).

Submissions on this draft decision are due by 1 September 2023.

Before amending the EDNC, the QCA must prepare a draft of the amendment (available to view on our [website](#)) and engage in the consultation process prescribed by the *Electricity Regulation 2006* (Qld) (Electricity Regulation). Our indicative timetable for completing the review is outlined in Figure 1.

Figure 1 Indicative timetable for the GSL review



We intend to publish our final decision in late 2023. We have nominated this period to allow Energex and Ergon Energy sufficient time to consider the implications of any potential changes to the GSL regime when preparing their 2025–30 regulatory proposals to the Australian Energy Regulator (AER)—which are required to be submitted by 31 January 2024.⁵

We may extend the timeline to complete the review, having regard to submissions received on this draft decision. Should the timeline be extended, we will endeavour to provide sufficient time for the DNSPs to reflect any changes in GSL arrangements during their AER review process.

⁴ Electricity Distribution Network Code, section 2.3.19. More information about our previous reviews is available on the QCA [website](#).

⁵ AER, Media release: AER publishes final *Framework and approach papers for Energex, Ergon Energy, SA Power Networks and Directlink—1 July 2025 to 30 June 2030*, July 2023.

Workshop

The Queensland Consumers Association, in its submission on the consultation paper, suggested that we should convene a workshop to discuss the review. If stakeholders wish to participate in a workshop before making a submission on the draft decision, they should advise us by 26 July 2023. We will arrange a workshop if there is sufficient interest from stakeholders.

1.3 Our approach to the review

In addition to the general requirements of the EDNC, we consider the following factors are relevant for our review of the GSL arrangements to apply from 1 July 2025:

- the performance of Energex and Ergon Energy against the GSL requirements
- GSL arrangements in other jurisdictions
- the relevance of the existing GSL parameters and whether there is a need for additional or different measures of performance
- any other matters considered relevant in recommending GSL arrangements to apply to Energex and Ergon Energy for the next regulatory period.

These matters are considered in this draft decision.

2 GUARANTEED SERVICE LEVELS

2.1 Purpose of the scheme

The purpose of the GSL scheme is to acknowledge the inconvenience customers experience when they receive poor reliability or service from their DNSP. Clause 2.3.10 of the EDNC includes a clear purpose statement:

A GSL payment acknowledges the inconvenience a small customer experiences when a distribution entity does not meet a guaranteed service level.

GSL payments are intended to be an acknowledgement of poor service and are not intended to provide compensation for loss or inconvenience arising from poor reliability or service performance.

2.1.1 Stakeholder submissions

The Queensland Consumers Association considered clause 2.3.10 of the ENDC should be amended to indicate that GSL payments are also 'intended to provide a financial incentive for distribution entities to maintain appropriate levels of service quality', not just to 'acknowledge the inconvenience a small customer experiences when a distribution entity does not meet a guaranteed service level'.⁶

2.1.2 Draft decision

We do not consider that the GSL arrangements should also operate as a financial incentive scheme for a DNSP. This is because the GSL scheme is part of a broader framework that applies to DNSPs and provides limited incentive for DNSPs to improve service quality.

The GSL scheme operates in combination with the Queensland Government's minimum service standards (MSS) set out in a DNSP's distribution authority and the AER's Service Target Performance Incentive Scheme (STPIS). In this framework, the:

- MSS provide for a minimum level of average network reliability
- STPIS encourages reliability improvement, where that can be achieved efficiently
- GSLs acknowledge the inconvenience customers experience when they receive poor reliability or service.

We note that the GSL scheme provides weak incentives for service quality improvements, as under the AER's framework for revenue regulation, the cost of GSL payments incurred by a DNSP can be recovered through regulated network charges as an operating expense.⁷ Any benefits arising from increasing the incidence or level of GSL payments would accrue to some customers while increasing overall network costs for all customers. This would not provide a financial incentive for distribution entities to maintain appropriate levels of service quality.

⁶ The Queensland Consumer Association, sub. 1, p. 2.

⁷ Under clause 6.5.6(c)(1) of the [National Electricity Rules](#), the AER must accept a DNSP's operating cost forecast if it reasonably reflects the costs of achieving certain objectives; one of which is to 'comply with all applicable regulatory obligations or requirements associated with the provision of standard control services' (cl. 6.5.6 (a) (2)).

Moreover, both Energex and Ergon Energy have information on their websites regarding the ability of customers to seek compensation for loss or damage caused by either distributor's actions.⁸

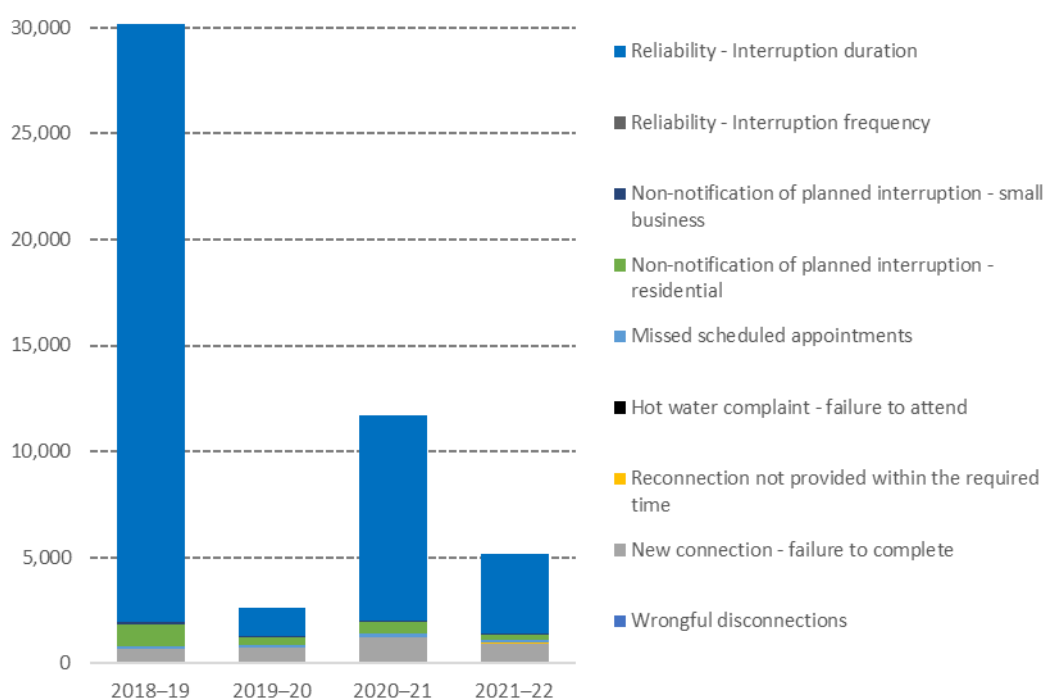
2.2 GSL performance of Energex and Ergon Energy

Customers receive GSL payments when they receive poor reliability or service that does not meet GSL standards.

2.2.1 Energex

Figure 2 presents a breakdown of GSL payments Energex has made to customers each year for the period 2018–19 to 2021–22.⁹ During this time, Energex made 49,493 GSL payments at a total cost of \$6.24 million. Most of the GSL payments made by Energex were for interruption duration (86.7%).

Figure 2 Number of Energex GSL payments by category, 2018–19 to 2021–22



Source: Energy Queensland; QCA analysis.

2.2.2 Ergon Energy

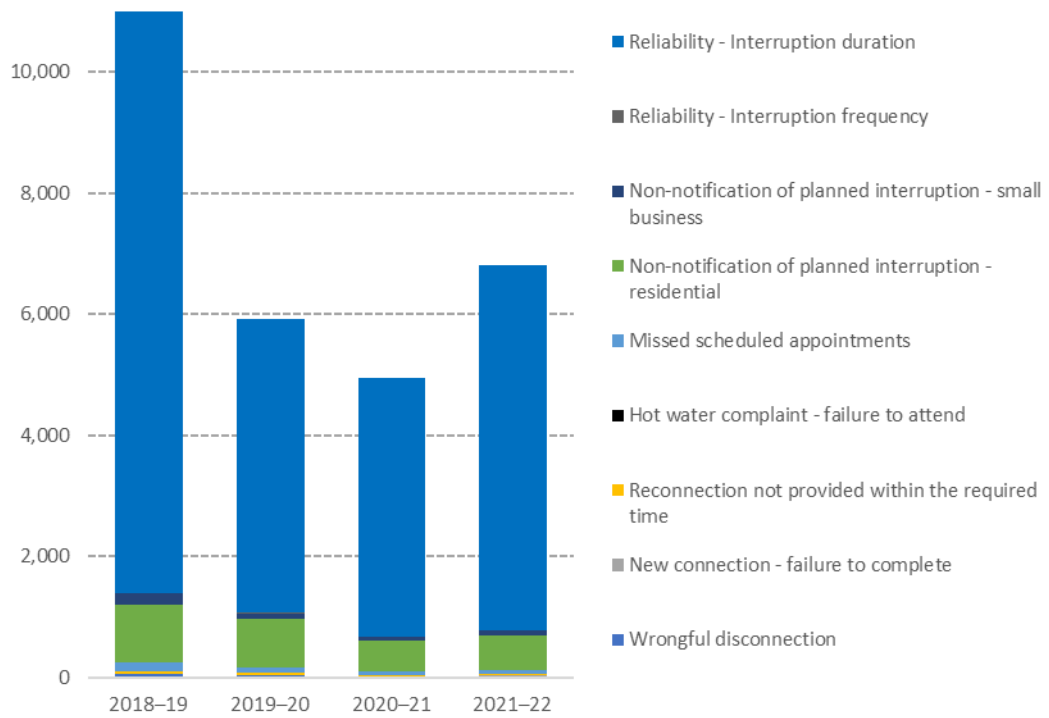
Figure 3 presents a breakdown of GSL payments Ergon Energy made to customers each year for the period 2018–19 to 2021–22.¹⁰ During this time, Ergon Energy made 28,674 GSL payments at a total cost of \$3.1 million. Most of the GSL payments made by Ergon Energy were for interruption duration (86.4 %).

⁸ See Energex, *Claims*, Energex website, 2023, viewed 15 June 2023; Ergon Energy, *Claims*, Ergon Energy website, 2023, viewed 15 June 2023.

⁹ Severe weather events triggered a high number of interruption duration GSL payments in 2018–19.

¹⁰ Severe weather events triggered a high number of interruption duration GSL payments in 2018–19.

Figure 3 Number of Ergon Energy GSL payments by category, 2018–19 to 2021–22



Source: Energy Queensland; QCA analysis.

3 GSL MEASURES, THRESHOLDS AND PAYMENTS

3.1 Amount of GSL payments and cap

3.1.1 Code requirements

The EDNC specifies GSL payment levels as per Table 2.

Table 2 GSL payment schedule, 1 July 2020 to 30 June 2025

<i>GSL measure</i>	<i>Payment (1 July 2020 – 30 June 2025)</i>
Wrongful disconnections	\$155
Connection	\$62 per day
Reconnection	\$62 per day
Hot water supply	\$62 per day
Appointments	\$62
Planned interruption—business	\$77
Planned interruption—residential	\$31
Interruption—duration	\$124
Interruption—frequency	\$124
Annual cap	\$496

Source: *Electricity Distribution Network Code, clauses 2.3.10 and 2.3.15.*

3.1.2 Submissions

The Queensland Consumers Association considered that to maintain the real value, all payment levels should be adjusted for inflation and the method used should take account of the current above average levels of general price inflation.¹¹ Energy Queensland (EQ) also supported increasing the GSL payments and cap, although it considered we should continue using the same CPI based methodology as used in previous reviews.¹²

3.1.3 Draft decision

Our draft decision is to maintain the real value of all GSL payments and caps using actual and forecast inflation. We intend to fix the GSL amounts for the duration of the regulatory period, by setting a mid-period value, this will ensure the average nominal GSL payment and cap over the next regulatory period would be equal to the real value (as at 1 January 2005).

We intend to use the inflation forecasting methodology outlined in our 2021 inflation forecasting paper.¹³ We consider this approach provides the best unbiased forecasting methodology and is superior to the midpoint of the Reserve Bank of Australia (RBA) target range of 2.5 per cent we

¹¹ The Queensland Consumers Association, sub. 1, p. 2.

¹² Energy Queensland, sub. 2, p. 2.

¹³ QCA, *Inflation forecasting*, final position paper, October 2021.

used to set GSL payments and thresholds in our previous review. This methodology incorporates the following steps:

- Start with nominal values from 2005.
- Escalate by actual inflation to June 2023.¹⁴
- Derive CPI forecasts using short-term RBA forecasts for the first two years ahead.
- Derive forecasts up to the fifth year ahead using a linear glide path from the RBA's short-term forecast in year 2 to a rules-based anchor-point forecast in the fifth year ahead.

The anchor point depends on the RBA's second-year inflation forecast (as a proxy for prevailing economic conditions). For example, if the second-year forecast is:

- less than or equal to 2 per cent, the anchor point would be set at 2.25 per cent
- between 2 per cent and 3 per cent, the anchor point would be set at 2.5 per cent
- greater than or equal to 3 per cent, the anchor point would be set at 2.75 per cent.¹⁵

The proposed amendments to GSL payment amounts and clauses 2.3.10 and 2.3.15 of the EDNC are outlined in Table 3 and can be viewed in the draft version 5 of the EDNC on our [website](#).

Table 3 GSL payments and cap

<i>GSL parameter</i>	<i>Original GSL payment (1 January 2005)</i>	<i>Current GSL payments (2020–25)</i>	<i>Proposed GSL payments (2025–30)</i>
Wrongful disconnection	\$100	\$155	\$189
Connections	\$40	\$62	\$76
Reconnection	\$40	\$62	\$76
Appointments	\$40	\$62	\$76
Planned interruption— business	\$50	\$77	\$95
Planned interruption— residential	\$20	\$31	\$38
Interruption—duration	\$80	\$124	\$151
Interruption—frequency	\$80	\$124	\$151
Annual cap	\$320	\$496	\$606

Source: Previous GSL reviews; QCA analysis.

We intend to update the escalation calculations for the final report to reflect the latest inflation data.

¹⁴ As the Australian Bureau of Statistics had not released this information in time to be incorporated into this draft decision, we have used the June 2023 inflation forecast from the RBA's May 2023 [statement on monetary policy](#).

¹⁵ The RBA's second-year (June 2025) inflation forecast in the May statement on monetary policy was 3%.

3.2 Wrongful disconnections

3.2.1 Code requirements

The distributors are required to make a \$155 GSL payment to a customer if they disconnect the customer without being entitled to do so under the electricity legislation, or if they disconnect the wrong premises.

The distributors must also pay \$155 to a customer if they wrongfully disconnect the customer at the request of a retailer, and:

- the wrong premises is disconnected due to an error in the retailer's request
- the retailer does not give the customer a disconnection warning notice where required, in accordance with the electricity legislation.

Wrongful disconnection payments can be claimed on an unlimited basis, as they are not included in the annual cap (\$496) on GSL payments.¹⁶

3.2.2 Submissions

The Queensland Consumers Association considered the payment should be increased and paid on a per day basis, stating this would:

better recognise the very high levels of inconvenience customers experience when they are wrongfully disconnected, and because the GSL payment for a reconnection not being provided within the required time is on a per day basis, the GSL payment for wrongful disconnection should be substantially increased. It should also be paid per day of wrongful disconnection, not per wrongful disconnection.¹⁷

The Queensland Consumers Association also noted that Victorian customers who are wrongfully disconnected as a result of retailer action receive payments of \$500 per day, with a cap of \$3,500.

3.2.3 Draft decision

We consider that the existing wrongful disconnection GSL is appropriate, as it reflects the purpose of the Queensland GSL scheme, which is to provide acknowledgement of the inconvenience experienced by a customer when a service level is not met.

The Queensland Consumers Association correctly pointed out that customers in Victoria are entitled to \$500 per day from a retailer for a wrongful disconnection. Relevantly, the Victorian scheme directly provides incentives to retailers by providing monetary compensation to customers for their disruption arising from wrongful disconnection caused by a retailer. However, the Queensland GSL scheme is not compensatory in nature and has been specifically designed to apply to distribution entities.¹⁸

We understand the Victorian payment was developed in response to an Essential Services Commission (ESC) finding that wrongful disconnections by retailers were increasing, and in

¹⁶ Electricity Distribution Network Code, clause 2.3.3.

¹⁷ The Queensland Consumers' Association, sub. 1, p. 3.

¹⁸ QCA, *Review of minimum service standards and guaranteed service levels to apply to Queensland from 1 July 2015*, final decision, June 2014, p. 18.

acknowledgement of the Victorian Government's intent of providing a financial incentive for retailers to follow the correct procedure before disconnecting customers.¹⁹

We note that the number of wrongful disconnection GSL payments have decreased in Queensland in recent years (see Table 4). This suggests that distributors' performance against this GSL has improved.

Table 4 Wrongful disconnection payments, 2015–16 to 2021–22

<i>Distributor</i>	<i>2015–16</i>	<i>2016–17</i>	<i>2017–18</i>	<i>2018–19</i>	<i>2019–20</i>	<i>2020–21</i>	<i>2021–22</i>
Energex	109	65	37	32	23	15	17
Ergon	125	103	64	53	36	11	23

Source: *Energex and Ergon GSL reporting, QCA analysis.*

In our view, there is insufficient evidence and justification to support aligning the Victorian retailers' disconnection payment with the Queensland GSL scheme payment for wrongful disconnection by a DNSP.

3.3 Claiming, making and processing GSL payments

3.3.1 Code requirements

Energex and Ergon Energy must use best endeavours to automatically pay customers when a GSL event occurs. However, if this does not occur, a customer has three months from the date of the GSL event to lodge a claim, or three months from the end of the financial year for an interruption frequency GSL payment claim.²⁰

Payment methods

GSL payments can be made via cheque, electronic funds transfer or any means agreed to with the affected customer.²¹

Processing a GSL claim

Energex and Ergon Energy must use best endeavours to process a GSL claim made by a customer within one month of receiving the claim for the following GSLs:

- wrongful disconnection
- connections
- reconnections
- hot water supply
- appointments
- planned interruptions
- interruption duration.²²

¹⁹ *Energy Legislation Amendment (Consumer Protection) Act 2015 (Vic)*, section 9; *Electricity Industry Act 2000 (Vic)*, section 40B.

²⁰ Electricity Distribution Network Code, clause 2.3.11.

²¹ Electricity Distribution Network Code, clause 2.3.12.

²² Electricity Distribution Network Code, clause 2.3.14(a).

For the interruption frequency GSL, distributors must use best endeavours to process a GSL claim made by a customer within one month of the end of the financial year or one month after receiving the claim, whichever is later.²³

3.3.2 Submissions

Customer awareness of dispute resolution processes

The Queensland Consumers Association considered changes are required to better inform small customers about the availability of the services of the Energy and Water Ombudsman Queensland (EWOQ) and to clearly indicate how a distribution entity must handle disputes about GSL payments involving the distribution entity. It suggested adding a requirement to clause 2.3.18 of the EDNC that would require a retailer or distributor to advise customers in writing that the customer may refer the dispute to EWOQ.²⁴

Alternative payment methods

EQ reported that it had identified large volumes of customers were not presenting cheques for payment, recommending further consideration be given to alternative payment methods.²⁵

As a possible solution to this issue, EQ suggested amending the EDNC to integrate capabilities under clause 6B.A2.4 of the National Electricity Rules to facilitate the payment of GSLs via the customers' retailer.

EQ expressed concern that the required GSL processing timeframe of best endeavours within one month does not align with customers on quarterly billing cycles with their retailer.

To assist us make an informed draft decision, we requested further information from EQ about the scope of the issue, trends for uncashed cheques, and considerations on costs/benefits to customers, EQ, and retailers of providing alternative payment methods.

Data provided by EQ suggested 22 per cent of cheques provided to Ergon Energy customers and 11 per cent to Energex customers since 2020–21 remained uncashed. However, a significant number of these uncashed cheques were given to customers since March 2023.

EQ considered that while it was less complex to administer cheques than other payment methods, there are issues with the continued use of cheque payments. These included higher costs to serve, the phasing out of cheques, fraud risk, access to banking services in regional Queensland and the time required to physically cash a cheque payment.²⁶

3.3.3 Draft decision

Customer awareness of dispute resolution processes

Our draft decision is to maintain clause 2.3.18 of the EDNC. We consider the current legislative requirements provide clear guidance to DNSPs and retailers about their obligations around informing customers of their rights to approach EWOQ for dispute resolution services.

Section 82(5) of the National Energy Retail Law (Queensland) outlines retailer and distributor obligations for complaints handling:

A retailer or distributor must inform a small customer—

²³ Electricity Distribution Network Code, clause 2.3.14(b).

²⁴ The Queensland Consumers Association, sub. 1, p. 2.

²⁵ Energy Queensland, sub. 2, p. 2.

²⁶ Energy Queensland, sub. 4, pp. 1–2.

- (a) that, if the customer is not satisfied with the outcome, the customer may make a complaint or take a dispute to the energy ombudsman; and
- (b) of the telephone number and other contact details of the energy ombudsman

Further, both Energex and Ergon Energy have web pages dedicated to GSLs, which outline what GSLs are, how to claim a GSL payment and how to appeal a declined claim.²⁷

We are of the view that this information is easy to find and provides sufficient information to customers with regard to the dispute resolution process.

Alternative payment methods

Our draft decision is to maintain the payment provisions in the EDNC for the 2025–30 regulatory control period. We note that clause 2.3.12 already has options for DNSPs to pay GSL payments to customers by means other than a cheque. Moreover, cheques remain a valid form of payment and are administratively simple for EQ to process. Cheques are cashed by the majority of eligible customers.

At this time, we do not consider the issue of uncashed cheques is sufficiently significant to expedite the alignment of clause 6B.A2.4 of the National Electricity Rules to facilitate the payment of GSLs via the customer's retailer. Relevantly, many GSL cheques provided in March 2023 are yet to be cashed, which is a primary driver of the high percentage of uncashed cheques reported by EQ. Excluding the 2022–23 data, the percentage of uncashed cheques for Ergon drops from 22 per cent to 10 per cent, and for Energex from 11 per cent to 8.5 per cent—meaning that over 90 per cent of GSL cheques provided between 2020–22 were cashed.

Moreover, we do not consider that the issue of uncashed cheques constitutes a failure of the DNSP to meet its EDNC payment processing obligations. However, we note that there may be barriers to customers cashing cheques (such as accessing a bank due to mobility, time and proximity), or because of voluntary inaction on the customer's part.

DNSPs could leverage existing information-sharing arrangements with retailers. DNSPs already have arrangements with retailers regarding the sharing of customer information for the purpose of provisioning GSL cheques. We note that clause 2.3.12 already has options for DNSPs to pay GSL payments to customers by means other than cheque, meaning that the arrangement described would not require further amendments to the EDNC. We seek stakeholder feedback on the potential for DNSPs to use existing arrangements to seek an eligible customer's banking details for the purpose of providing a GSL payment via electronic funds transfer.

After 2030

We are mindful that the planned phasing out of cheques by 2030 will require an appropriate payment alternative to be developed for the 2030–35 regulatory period.²⁸ As discussed, we do not intend to introduce alternative payment methods into the EDNC for the 2025–30 regulatory period. However, having a fit-for-purpose GSL payment process once cheques are phased out is necessary for the GSL scheme to meet its objective.

²⁷ Energex, *Guaranteed Service Levels*, Energex website, 2023, viewed 12 June 2023; Ergon Energy, *Guaranteed Service Levels*, Ergon Energy website, viewed 12 June 2023.

²⁸ J Chalmers, Treasurer, *Modernising payment infrastructure by phasing out cheques*, media release, 7 June 2023, Australian Government, accessed 13 June 2023.

We consider any progress that can be made on this issue as part of this review will help the transition away from cheques as a GSL payment method after 2030. We are canvassing stakeholder views on options to promote preliminary discussions for future reviews.

Options for future consideration

The EDNC could be amended, in accordance with EQ's submission, to enable the provisioning of GSL payments via the small customer's retailer. This would involve amending clause 2.3.12 of the EDNC to add reference to the eligible customer's retailer. The amendments are in bold:

*A distribution entity must use its best endeavours to pay a GSL payment to a small customer entitled to it by cheque, electronic funds transfer, **or to the retailer of a small customer entitled to it for credit on the small customer's electricity bill**, or any other means agreed with the small customer.*

Developing a workable GSL payment framework involving retailers will require significant input from a broad range of stakeholders to identify potential technical, legislative and operational barriers. Moreover, if retailers are to be used as an intermediary for GSL payments, we consider a framework outlining retailer obligations and timelines for processing GSL payments will need to be developed. This approach would require greater involvement from retailers, consumer groups, welfare organisations and EQ. We note this may also require legislative amendments.

We note there are many unknowns at this stage with using a retailer as an intermediary in the GSL payment process, or as a source of customer information for the provisioning of DNSP initiated electronic funds transfer. With regards to implementing any changes to the EDNC or GSL payment process, we seek stakeholder views on:

- technical, legislative and operational barriers
- unintended consequences
- the regulatory burden on EQ and electricity retailers.

Processing timeframes

We note EQ's concerns regarding the misalignment between the GSL payment processing timeframe outline in clause 2.3.14 and customer billing cycles. As we understand, under the current arrangements GSL payments are paid directly to the customer; therefore, we have no information to suggest this issue affects EQ presently.

However, if a process was introduced that used the retailer as an intermediary in the provisioning of GSL payments, we consider EQ's concerns may hold merit.

In our view, the DNSP's obligation under clause 2.3.14 would be to provide the customer's retailer with the GSL payment within stipulated timeframes outlined in clause 2.3.14(a) and (b). We do not consider the scope of the EDNC, inclusive of clause 2.3.14, applies to the time taken for a retailer to credit a GSL payment to the customer's account or for the customer to receive notification of the credit via a bill.²⁹

²⁹ Further consideration will be needed to develop and implement a processing timeframe for retailers to credit GSL payments to a customer account.

3.4 Customers with card-operated meters

3.4.1 Code requirements

An eligible card-operated customer must make a GSL claim within one month of a GSL event occurring to receive a payment. The distributor is liable to only pay one GSL payment per card-operated meter and can pay via cheque, electronic funds transfer or any means agreed to with the affected customer.³⁰

3.4.2 Submissions

The Australian National University considered the manual GSL claim process creates an additional step that card-operated meter customers must fulfil to access their payment for poor reliability or service, making it less convenient and therefore less likely for these customers to make a claim from their DNSP.

To understand current progress or barriers related to this issue, we requested further information from EQ about:

- whether recent technological advancements already enable the provisioning of automatic GSL payments (such that there is already a technology solution available)
- various GSL payment metrics for card-operated meter customers, so as to understand the scope of the issue, and technical, legislative or other barriers to automatic payments.

EQ's supplementary submission noted that historically, a lack of accurate data proved challenging to apply GSL payments for card-operated customers. However, these issues have been overcome and Ergon Retail now undertakes a manual process for GSL payments to automatically be applied to card-operated meter customers' balances once advised by the DNSP.

This has been facilitated by the implementation of the 'orange' power card, which is linked to an individual meter—with EQ noting that there are currently 5,144 card-operated meters and 5,144 active orange power cards. GSL payments are manually added to the orange power card by Ergon Retail when advised by the DNSP that a payment is owed to a customer, and the customer automatically receives these payments as a credit.³¹

3.4.3 Draft decision

We acknowledge the efforts of Ergon Retail in the roll-out of the orange power card system, which we consider has helped advance energy equity for card-operated meter customers. The orange card has enabled card-operated meter customers to automatically receive GSL payments, the Queensland Government electricity rebate and other credits they are eligible for.

Our draft decision is to amend clause 2.3.13, which outlines a card-operated meter customer's GSL claim process, to reflect EQ's provisioning of automatic GSL payments via orange power cards. We intend to align wording in clause 2.3.13 with that of the manual claim process for grid-connected customers outlined in clause 2.3.11.

The proposed amendments to clause 2.3.13 can be viewed in the draft version 5 of the EDNC on our [website](#).

³⁰ Electricity Distribution Network Code, clause 2.3.13.

³¹ Energy Queensland, sub. 4, pp. 1–2.

3.5 Other GSL measures

3.5.1 Code requirements

Connections

If a customer is entitled to have their premises connected, and has taken all necessary steps, the distributor currently must pay the customer \$62 for each day the customer remains not connected after the agreed date.³²

Reconnection

If a customer's premises has been disconnected and the customer is entitled to be reconnected within specified timeframes, and has taken all necessary steps, the distributor currently must pay \$62 per day if the reconnection is made after the agreed date.

In Energex's distribution area, reconnection is generally required on, or one business day after, the customer's request for reconnection.

The same applies for Ergon Energy, except where the premises is supplied by a long rural feeder. In this case, the reconnection is due within 10 business days, or as agreed with the customer.³³

Appointments

If a distributor commits to attending a customer's premise within an agreed timeframe, for the purpose of meter related or electrical related activities, and is late or does not attend, it currently must pay \$62 to the customer.

Energex must specify a five-hour window and Ergon Energy a specific day in which the appointment will occur. However, the distributor is not liable for a GSL payment if it informs the customer one day in advance of its inability to meet at the agreed appointment time.³⁴

Planned interruptions

If a distributor does not give at least four business days' notice (or as agreed upon with the customer) for a planned interruption to a customer's electricity supply, it currently must pay \$31 to residential customers and \$77 to small business customers who are affected. This obligation does not apply if the interruption to supply is caused by an emergency situation.³⁵

Reliability

A customer is currently eligible for a single-event interruption duration GSL payment of \$124 from the distributor if the premise is connected to a:

- CBD feeder and experiences an outage of greater than 8 hours
- urban or short rural feeder and experiences an outage of greater than 18 hours
- a long rural or isolated feeder and experiences an outage of greater than 24 hours.³⁶

³² Electricity Distribution Network Code, clause 2.3.4. The Code does not define the 'necessary steps' a customer is to take.

³³ Electricity Distribution Network Code, clause 2.3.5. The Code does not define the 'necessary steps' a customer is to take.

³⁴ Electricity Distribution Network Code, clause 2.3.7.

³⁵ Electricity Distribution Network Code, clause 2.3.8.

³⁶ Electricity Distribution Network Code, clause 2.3.9(a)(i).

A customer is currently eligible for an interruption frequency GSL payment of \$124 from the distributor if the premise experiences a certain number of outages, of 1 minute or more, within one financial year.³⁷ The thresholds are shown in Table 5.

Table 5 Interruption frequency GSL thresholds

<i>Feeder type connecting customers premises</i>	<i>Number of interruptions per year</i>
CBD feeder	10
Urban feeder	13
Short rural feeder	21
Long rural feeder	21
Isolated feeder	21
Customer is eligible for only one payment per financial year for interruption frequency.	

Source: *Electricity Distribution Network Code, clause 2.3.9(a)(ii)*.

Various types of interruptions are excluded from this GSL, including an interruption of one minute or less in duration.³⁸

3.5.2 Submissions

EQ and the Queensland Consumers Association both supported retaining the existing GSL measures in the scheme for the 2025–30 regulatory period. However, EQ considered the threshold for exempted outages should be changed from 1 minute to 3 minutes, to align it to the AER's service target performance incentive scheme (STPIS).³⁹ This issue is discussed in more detail in section 4.3.

3.5.3 Draft decision

Our draft decision is that all other GSL measures remain relevant and should be retained in the GSL scheme for the 2025–30 regulatory period. As outlined in Table 3, we intend to increase the current payment levels to maintain their real value.

³⁷ Electricity Distribution Network Code, clause 2.3.9(a)(ii).

³⁸ Clause 2.3.9(b) outlines the full list of exclusions for the interruption GSL.

³⁹ Energy Queensland, sub. 2, p. 4.

4 OTHER MATTERS FOR CONSIDERATION

The matters discussed in this chapter relate to new or emerging issues and recent reforms to customer protection and reliability standards. These matters are:

- stand-alone power systems (SAPS)
- GSLs for embedded-network customers
- maintaining consistency between national and jurisdictional instruments.

We seek stakeholder views on how (if at all) these matters should be taken into account in our review.

4.1 Stand-alone power systems

Stand-alone power systems can be technically and economically viable options for providing electricity services to some customers. This is typically in circumstances where SAPS are a more cost-effective solution than maintaining a physical connection to the national electricity grid.

Ergon Energy operates 33 SAPS in remote areas of regional Queensland that serve 39 communities. These SAPS are referred to as 'isolated power networks' in the EDNC. The thresholds for all applicable GSL measures applying to isolated feeders are currently set at the same level as for the 'long rural feeder' category (see Table 1).

Box 1: Operating a distribution network in Queensland

To operate a distribution network in Queensland, an entity must apply for, and receive, a distribution authority or special approval from the Queensland Government.

Holders of a distribution authority must comply with the requirements listed in the EDNC (including, but not limited to, GSL measures).

A special approval is generally issued in situations where the authorisation of the electricity activities may not be appropriate under a distribution authority, or where the electricity activities are incidental to the main business of the applicant.

An example of an activity that may be authorised under a special approval is generation of electricity and operation of a supply network to supply electricity to an island resort that is not connected to a distribution network or transmission grid. The requirements listed in the EDNC do not currently extend to special approval holders.

Essential Energy is a distribution network primarily operating in regional New South Wales (NSW). However, the Queensland Government has granted Essential Energy a special approval to service a small number of connections in Queensland localities close to the NSW border, where the Ergon Energy network does not extend.

4.1.1 Australian Energy Market Commission review

The Council of Australian Governments (COAG) Energy Council directed the AEMC to conduct a review of the regulatory arrangements for SAPS. As part of the review, the AEMC considered pathways to removing barriers to DNSP's transitioning grid-connected customers to SAPS, where

it was efficient to do so.⁴⁰ The AEMC was of the view customers should not be disadvantaged because of being transitioned to a SAPS, and SAPS customers should receive reliability protections equivalent to grid-connected customers.

4.1.2 Establishing new SAPS

Ergon Energy is currently trialling SAPS for some of its remote and fringe of grid customers.⁴¹ Ergon Energy is considering alternatives for individual customers that are supplied in remote areas where load units are comparatively small and their points of application could be widely dispersed.

Box 2: Bustard Head lighthouse—establishing new SAPS

Ergon Energy is undertaking a trial to supply the Bustard Head lighthouse and other historic buildings located in a hard-to-access section of its network near Gladstone. The existing line is 24 km long and runs through national park with thick vegetation and terrain that is difficult to access in wet weather or high tides.



Ergon Energy is trialling whether a SAPS meets its customer needs and its business objectives.

4.1.3 Stakeholder submissions

EQ suggested the threshold for SAPS customers should remain equal to the category they were in prior to being moved to a SAPS supply. For example, if a customer was in a long-rural category, then moved to a SAPS solution, the customer should retain the threshold of the long-rural category. EQ considered this would promote consistent reliability thresholds for customers and reporting requirements aligned with the AER's Distribution Reliability Measures Guideline (DRMG).

⁴⁰ AEMC, *Review of the regulatory frameworks for stand-alone power systems—priority 1*, final report, May 2019.

⁴¹ Ergon Energy, *Trialling stand-alone power systems*, Ergon Energy website, viewed 10 July 2023.

4.1.4 Draft decision

GSL measures, thresholds and payments already apply to the 33 isolated networks established by Ergon in regional Queensland. We consider the measures and thresholds and payments that apply to these 33 isolated networks are sufficiently meeting the EDNC objective.

With regard to new SAPS that EQ is currently trialling, we are of the view that there is no immediate need to develop separate GSL measures or thresholds. Given the similarity in feeder types for the existing 33 isolated networks and new trial SAPS, we consider the isolated feeder thresholds and payments meet the GSL scheme's objective for customers of new trial SAPS.

We note the AER considers SAPS customers' quality and reliability of electricity supply should be no worse than the quality and reliability they would experience if they were connected to the interconnected national electricity system.⁴² As such, to the extent that long-rural connected customers' supply is converted to new SAPS, we consider the current GSL measures and thresholds are adequate. However, if customers connected to other feeder categories, such as short rural, were to have their supply converted to new SAPS, we would need to be give consideration to the appropriate GSL measures to apply.

4.2 Embedded network GSLs

In apartment blocks, caravan parks or other types of residential complexes, electricity may be provided to occupants through an embedded network. In an embedded network, the building or site has a single metered connection point to the electricity grid. The site owner (or the building manager) owns and runs the embedded network. Electricity is generally bought in bulk (typically at a lower cost than would be available to individual small customers) from an electricity retailer and then distributed (on-sold) to occupants using the site's internal network. Each occupant usually has a sub-meter installed to measure their electricity use. Occupants are not locked into any agreement with the site owner for electricity and have the right to move to an electricity retailer if they wish.⁴³

The EDNC and the GSL scheme contained within it, does not currently apply to individual customers within an embedded network. Moreover, clause 2.3.2(b) of the EDNC states that a distribution entity is required to give only one GSL payment per electricity account for each event that gives rise to a GSL payment, regardless of the number of account holders or premises listed on the account affected by the event. The EDNC also states in clause 2.3.2(c) that a small customer is not eligible for a GSL payment for a premises that does not have a meter.

This means DNSPs are only liable to pay GSL payments to the 'parent' embedded network connection customer, while 'child' meters within the embedded network do not receive GSL payments.

Australian Energy Market Commission review of embedded network regulation

The AEMC published the final report of its update of the regulatory frameworks for embedded networks in June 2019. The AEMC considered 'an embedded network customer should be able

⁴² Australian Energy Regulator, *Updating instruments for regulated stand-alone power systems*, explanatory statement, May 2022, p. 2.

⁴³ Queensland Government, *Electricity for residents of multi-unit complexes*, Queensland Government website, 2023, viewed 5 March 2023.

to expect similar access to competition and consumer protections as a standard supply customer'.⁴⁴

The AEMC proposed obligating DNSPs to make GSL payments to embedded network 'child' customers if the DNSP is responsible for supply interruptions that breach relevant jurisdictional GSL schemes thresholds. It noted that, for the GSL scheme to extend to embedded network customers, it would require reviews by each jurisdiction of their GSL schemes to broaden the application of the scheme and for DNSPs to have visibility of all customers in each embedded network.

The AEMC has proposed a framework that requires all child connections in registered embedded networks to be allocated a National Metering Identifier (NMI) in AEMO's market settlement and transfer solution (MSATS) system. However, this has not been passed into legislation and is not intended to apply to existing embedded networks.

4.2.1 Stakeholder submissions

EQ did not support the implementation of GSLs for customers in an embedded network, noting that DNSPs do not provide connection services to these customers and only have an obligation to the parent meter.⁴⁵

EQ also stated that it does not receive customer data from any child NMI to facilitate the payment of GSLs to these customers. And if we consider that the EQ should pay a GSL to embedded network customers, this could only operate if the embedded network operator/owner had an obligation to apply for the GSL on behalf of the customer by providing individual customer details to EQ.

EQ also cited concerns with the resourcing required at a retailer level to extend 'notice of planned interruption' obligations to child customers.⁴⁶

4.2.2 Draft decision

Our draft decision is to not amend the EDNC to include GSL measures for child customers in embedded networks. We consider there are significant unresolved issues to contend with before an embedded network GSL scheme could be developed.

We agree with the principle articulated by the AEMC that embedded network customers should be able to expect similar access to consumer protections as a standard supply customer. However, as noted by the AEMC, few or no reliability standards or performance incentives apply within embedded networks, and giving effect to the principle of equivalent consumer protections for embedded network customers implies the need for reliability standards to be applied to embedded networks.⁴⁷ We nevertheless do not consider this review process is appropriate for determining such protections.

The scope of this process is to review the GSL scheme, which, under the current EDNC, only applies to the DNSPs and their connected small customers, not to customers within an embedded network, or large customers. Extending the current GSL scheme or developing a new GSL scheme to apply to embedded network service providers (ENSPs) is outside the scope of this review. However, as more ENSP's are registered in Queensland, a review of regulatory arrangements

⁴⁴ AEMC, *Updating the regulatory frameworks for embedded networks*, final report, June 2019, p. 301.

⁴⁵ Energy Queensland, sub. 2, pp. 3–4.

⁴⁶ Energy Queensland, sub. 4, p. 3.

⁴⁷ AEMC, *Updating the regulatory frameworks for embedded networks*, final report, June 2019, p. 301.

applying to Queensland ENSPs may be warranted in the future. It is our view that the Queensland Government would likely need to initiate and set the terms of reference for such a review. Nonetheless, we consider any regulatory framework review for ENSPs should seek to harmonise ENSP obligations and consumer protections across relevant legislative and jurisdictional instruments.

4.3 Aligning EDNC criteria with the other schemes or requirements

We are considering opportunities for aligning the definitions and exclusions that apply to the GSL scheme with other schemes or requirements to minimise confusion and inefficiencies in both outage management and reporting for the DNSP.

Stand-alone power system exclusion criteria

In August 2022, the AER updated the Distribution Reliability Measures Guideline (DRMG) to give effect to new rules introduced by the AEMC to allow DNSPs to connect new and existing customers to SAPS.⁴⁸ Notably, amendments were made to not exclude certain load shedding events when calculating reliability measures for SAPS. The latest version of the DRMG amends section 3.3 to add in the words 'except for a SAPS feeder' to the following clauses:

- *Except for a SAPS feeder*, Load shedding due to a generation shortfall.
- *Except for a SAPS feeder*, Automatic load shedding due to the operation of under-frequency relays following the occurrence of a power system under-frequency condition.
- *Except for a SAPS feeder*, Load shedding at the direction of AEMO or a System Operator.⁴⁹

On this, the AER considered SAPS customer's quality and reliability of electricity supply should be no worse than the quality and reliability they would experience if they were connected to the interconnected national electricity system.

4.3.1 Stakeholder submissions

Stand-alone power system exclusion criteria

EQ supported the incorporation of SAPS exclusions in clause 2.3.9(b) reliability exclusions.⁵⁰

Duration threshold for exempted outages

EQ considered the threshold for exempted outages should be changed from 1 minute to 3 minutes, to align it to the AER's service target performance incentive scheme (STPIS).⁵¹

To assist us in determining an informed trade-off assessment, we requested further information from EQ on this issue—specifically about potential customer impacts and benefits EQ could realise by aligning the duration thresholds.

EQ's supplementary submission noted that the amendment would have an immaterial impact on GSLs paid for interruption duration and number of interruptions. EQ considered the alignment of the interruption duration threshold would create a cohesive definition for momentary interruptions across the organisation, inclusive of systems and reporting requirements.⁵²

⁴⁸ AEMC, *New rules allow distributors to roll out stand-alone power systems in the NEM*, media release, 24 February 2022.

⁴⁹ AER, *Distribution Reliability Measure Guideline*, August 2022.

⁵⁰ EQ, sub. 4, p. 7.

⁵¹ Energy Queensland, sub. 2, p. 4.

⁵² Energy Queensland, sub. 4, p. 7.

4.3.2 Draft decision

Our draft decision is to amend the EDNC to align definitions for the duration threshold for exempted outages. We consider further consultation is required before we could consider aligning definitions for SAPS exclusion criteria with the DRMG. In general, we consider there should be consistency between the definitions and exclusions used where this decreases inefficiencies and unnecessary complexity in the DNSPs' reliability obligations and reporting requirements.

Stand-alone power system exclusion criteria

The DRMG exclusion criteria were amended so that the network reliability, security and quality standards that apply to grid-connected customers would also apply to regulated SAPS customers.⁵³

Load shedding events in grid-connected parts of the network are generally out of the control of DNSPs, occurring due to a generation shortfall or a direction from a System Operator / AEMO to maintain the integrity of energy supply in the grid-connected network. Supply interruptions resulting from these events are not counted when calculating reliability performance measures and therefore do not adversely impact the DNSPs' performance under STPIS reliability measures.

In contrast, it is our understanding that SAPS are not subject to network-wide load shedding events, and DNSPs are responsible for energy generation and maintaining the integrity of energy supply in the SAPS. Therefore, the amendments to the DRMG may reflect that a load shedding events in SAPS could be due to an event within the control of the DNSP (for example, operator error or equipment maintenance).

Currently, load-shedding events do not trigger reliability GSL measures in grid-connected or isolated network communities. Our preliminary view is that there may be merit in aligning the EDNC exclusion criteria with the DRMG to trigger the 'clock' for reliability GSL measures when outages occur in SAPS due to a load-shedding event. Nonetheless, we require further information on this issue before making such an amendment, regarding the appropriateness of aligning exclusion criteria, potential customer impacts and unintended consequences.

Duration threshold for exempted outages

We consider the change from 1 minute to 3 minutes will have minimal impact on customers, presents a cohesive set of performance targets for EQ, and has the potential to decrease inefficiencies in EQ's regulatory reporting and compliance activities.

The 1-minute threshold for exempted outages is a metric primarily used to determine customer eligibility for the annual interruption-frequency GSL measure. The payment of interruption-frequency GSLs has not been a material issue for EQ recently. We note that Ergon Energy in particular has significantly improved its performance for this GSL measure during the current regulatory period (see Table 6).

Table 6 Interruption—frequency payments, 2015–16 to 2021–22

<i>Distributor</i>	<i>2015–16</i>	<i>2016–17</i>	<i>2017–18</i>	<i>2018–19</i>	<i>2019–20</i>	<i>2020–21</i>	<i>2021–22</i>
<i>Energex</i>	0	0	0	1	0	0	0
<i>Ergon</i>	58	143	57	7	20	0	0

Source: *Energex and Ergon GSL reporting, QCA analysis.*

⁵³ Australian Energy Regulator, *Updating instruments for regulated stand-alone power systems*, explanatory statement, May 2022, p. 14.

Based on available data, we consider EQ's assessment that changing the threshold will have an immaterial impact on GSLs paid to be reasonable.

The STPIS was amended in 2018 to increase the duration of what are considered momentary interruptions from 'one minute or less' to 'three minutes or less'.⁵⁴ This was consistent with a recommendation from the AEMC, which considered this change would increase the flexibility and options for distribution automation systems, which could reduce the cost of automation systems and reduce the number of sustained interruptions by automatically restoring supply to more customers.⁵⁵

In principle, we do not consider it appropriate for investment and operational decisions aimed at improving customer outcomes to trigger an event under the interruption-frequency GSL measure. While the purposes of the STPIS and GSL scheme are different, we consider it is appropriate to align the definitions of related performance measures to reduce reporting burdens on DNSPs in this instance.

We note that the Essential Services Commission of South Australia (ESCOSA) amended the same threshold in the South Australian GSL scheme to align with the STPIS in 2020.⁵⁶ ESCOSA considered the definitional alignment would improve regulatory consistency. We also consider this to be a reasonable assessment and are of the view a cohesive definition of momentary interruptions could potentially decrease inefficiencies in Energex and Ergon Energy's regulatory reporting and compliance activities.

We propose amending clause 2.3.9(b)(ii) to reflect this change from 1 minute to 3 minutes, which can be viewed in the draft version 5 of the EDNC on our [website](#).

Frequency of interruption threshold (number)

We are seeking stakeholder feedback on whether a reduction to the number of interruption-frequency events is appropriate, given the increase to the exclusion of events from more than 1 minute to more than 3 minutes.

⁵⁴ AER, *Amendment to the Service Target Performance Incentive Scheme*, final decision, November 2018, pp. 16–17.

⁵⁵ AEMC, *Review of distribution reliability measures*, final report, September 2014, pp. 12–13.

⁵⁶ Essential Services Commission of South Australia, *SA Power Networks reliability standards review*, final decision, January 2019, p. 32.

APPENDIX A—GSL REGIMES IN OTHER JURISDICTIONS

GSL arrangements in other jurisdictions

Most GSL arrangements in most states, including Queensland, focus on connection performance, the timeliness of services, reliability of supply and the provision of notice to customers for planned interruptions. The levels of GSL payments are generally similar to those in Queensland.

The tables in this appendix illustrate the various GSL arrangements that currently apply in Queensland and other jurisdictions.

Table 7 GSL arrangements in Queensland and other jurisdictions

<i>GSL parameter</i>	<i>Jurisdiction</i>						
	Qld	ACT	NSW	Vic	Tas	SA	AER^a
Notice of planned interruption	Yes	Yes					Yes
Timeliness of new connections	Yes	Yes	Yes	Yes		Yes	Yes
Wrongful disconnection	Yes	Yes					
Missed scheduled appointment	Yes			Yes			
Reliability – interruption duration	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Reliability – interruption frequency	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Reliability – frequency of momentary interruptions				Yes			
Timely repair of faulty streetlights			Yes			Yes	Yes
Time to respond to complaints		Yes					Yes
Time to respond to notification of a problem		Yes					

a. The AER's Service Target Performance Incentive Scheme includes a GSL payments scheme that applies in states that do not have a jurisdictional GSL payments scheme. This scheme was developed based on the GSL payments schemes in each of the jurisdictions.

Australian Capital Territory

Table 8 Australian Capital Territory payment amounts

<i>Parameter</i>	<i>Threshold</i>	<i>Amount (\$)</i>
Customer connection times	Connection not provided by required date	\$60 (max \$300)
Wrongful disconnection	Where customer is wrongfully disconnected	\$100
Responding to complaints	Upon receiving a Complaint, Utility does not: (1) acknowledge the Complaint immediately or as soon as practicable; and (2) respond to the Complaint within 20 Business Days.	\$20
Notice of planned interruption	(1) For Electricity and Gas Distributors, 4 Business Days notice not given	\$50

<i>Parameter</i>	<i>Threshold</i>	<i>Amount (\$)</i>
	(2) For NERL retailers, 4 Business Days notice not given, unless the NERL retailer has obtained consent from the customer for a shorter period.	\$50
Duration of interruptions (single events)	An Unplanned sustained interruption lasts for 12 hours or longer	\$80
Total duration of interruptions (cumulative)	Total cumulative hours of Unplanned sustained interruptions experienced by Customer in a financial year is equal to or exceeds: Level 1—20 hours Level 2—30 hours Level 3—60 hours	\$100 \$150 \$300
Frequency of interruptions	Customer experiences more than 9 Unplanned sustained interruptions in a financial year	\$80
Response time to notification of a fault, problem or concern that affects the premises of the Customer	Utility fails to respond: (1) If the notification relates to damage to, or a fault or problem with the Network which is likely to affect public health, or is causing, or has the potential to cause, substantial damage or harm to a Person or property, respond as soon as practicable and in any event within six hours; or (2) In all other cases, respond within 48 hours; and (3) Resolve the problem or concern within the time specified in the response.	\$60 per day to a maximum of \$300

Source: Independent Competition and Regulatory Commission, [Consumer Protection Code 2020](#), December 2019.

Australian Energy Regulator

Table 9 Australian Energy Regulator GSL payment amounts

<i>Parameter</i>	<i>Threshold</i>	<i>Amount (\$)</i>
Frequency of interruptions	9 or more interruptions (CBD and urban feeder) 15 or more interruptions (rural feeders)	\$80
Duration of interruptions	12 hours or more (CBD and urban feeder) 18 hours or more (rural feeders)	\$80
Total duration of interruptions		
Level 1	20 hours or more	\$100
Level 2	30 hours or more	\$150
Level 3	60 hours or more	\$300
Streetlight repair	More than 5 days	\$25
New connections	Connection after the day agreed (per day, maximum \$300)	\$50
Notice of planned interruptions	Less than 4 days (excluding weekends and public holidays)	\$50

Source: AER, [Electricity distribution network service providers – service target performance incentive scheme](#), version 2, November 2018.

New South Wales

Table 10 New South Wales GSL payment amounts

<i>Parameter</i>	<i>Threshold</i>	<i>Amount (\$)</i>
Interruption duration	Single interruption longer than 18 hours.	\$80 per claim (max \$320)
Interruption frequency	More than four interruptions, each of five hours duration within a financial year.	\$80 per claim (max \$320)
Connection on an agreed date	Connection service not provided on or before the date agreed	\$60 per day (max \$300)
Faulty streetlights	Failure to repair faulty street lighting on or before the date agreed	\$15

Source: Essential Energy, *Guaranteed Service Level Scheme*, Essential Energy website, 2023, viewed 21 January 2023.

South Australia

Table 11 South Australia GSL payment amounts

<i>Parameter</i>	<i>Threshold</i>	<i>Amount (\$)</i>
Frequency of supply	>9 interruptions per annum	\$100
Duration of supply interruption	>20 and ≤30 hours	\$100
	>30 and ≤60 hours	\$150
	>60 hours	\$300
Promptness of new connections	Within 6 business days	\$65 per day (max \$325)
Timeliness of street light repairs (metropolitan)	Within 5 business days	\$25 per 5 business day period
Timeliness of street light repairs (country)	Within 10 business days	\$25 per 10 business day period

Note: ESCOSA has removed both street light repair GSL measures from [version 14 of the code](#), which will apply from 1 July 2025.

Source: Essential Services Commission of South Australia, *Electricity Distribution Code version EDC/13*, viewed 7 July 2023..

Tasmania

Table 12 Tasmania GSL payment amounts

<i>Parameter</i>	<i>Threshold</i>	<i>Amount (\$)</i>
Frequency of Outages	Urban, High Density Commercial, Critical Infrastructure	10
	Higher Density Rural	13
	Lower Density Rural	16
Duration of Outages	Urban, High Density Commercial, Critical Infrastructure	8 hours
		16 hours
	Higher Density Rural	8 hours

<i>Parameter</i>	<i>Threshold</i>	<i>Amount (\$)</i>
Lower Density Rural	16 hours	\$160
	12 hours	\$80
	24 hours	\$160

Source: Office of the Tasmanian Economic Regulator, *Guaranteed Service Level (GSL) Scheme, guideline, version 3, July 2012.*

Victoria

Table 13 Victorian GSL payment amounts

<i>Parameter</i>	<i>Threshold</i>	<i>Amount (\$)</i>
Annual duration of unplanned interruptions	Level 1 18 hours or more	\$130
	Level 2 30 hours or more	\$190
	Level 3 60 hours or more	\$380
Sustained interruption on a major event day (where a customer has experienced 12 hours or more of sustained interruption on a major event day)	More than 12 hours	\$90
Annual frequency of unplanned interruptions	Level 1 More than 8	\$130
	Level 2 More than 12	\$190
	Level 3 More than 20	\$380
Annual frequency of momentary interruptions	Level 1 More than 24	\$40
	Level 2 More than 36	\$50
On time for appointments	More than 15 minutes late	\$35
New connections	Not by the date agreed	\$80 per day (max \$400)

Source: Essential Services Commission 2023, *Electricity Distribution Code of Practice, version 2, May 2023.*