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Response to Draft Recommendations (Guaranteed Customer Service Standards)

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This submission summarises Australian Inland's position in regard to the Draft Recommendations on the service standards.

Reference to Previous Submissions

In support of this submission, we also draw your attention to our previous comments on guaranteed service standards, in the documents dated 23 May 2003 (Review of Guaranteed Customer Service Standards and Operating Statistics) and dated 29 October 2003 (Service Quality Incentive Scheme Submission).

Key Points

4.1.1 Telephone Services

Australian Inland repeats that our telephone services are limited by the technology available via Telstra's current exchanges. This technology is not consistent across our distribution area. AI is also aware of the high costs of Telstra's services comparative to other technology. We are unlikely, in the foreseeable future, to gain access to the range of choices available in other parts of the country in order to mitigate our costs.

4.1.2 Appointment Keeping

Australian Inland does not support the retaining of the current arrangements and certainly does not support the proposed modifications. Appointments with customers are not an issue in our area. Customers are the most difficult people to pinpoint to a specific time and place. The need for or frequency of appointments is also not a pressing matter. There would be continued high costs in record keeping for a matter which is of little value to our business or our customers.

4.1.5 Streetlights

Australian Inland supports the current arrangements whereby the repair date is agreed with the customer. It is not possible to always repair streetlights within five days as a work crew may not be scheduled to be working in a particular area, eg remote rural township, for periods much longer than this. It is more efficient to address repairs when other works are programmed, rather than travel for a specific one off job. This is not efficient for AI, our Shareholders or our customers. Significant costs will be added to our business if AI crews are required to fix streetlight repairs in 5 days in outlying areas in particular.

4.1.6 Network Reliability

Australian Inland does not support the introduction of the proposed minimum standards in the current regulatory period. AI is unable to control the extreme weather factors which impact upon the network. The location of some interruptions is not easy to determine in some parts of the network. Access to the site of the fault is some times not possible for reasons beyond AI's control (eg RTA road closures). AI is also installing network monitoring equipment to assist with fault identification and location, however this will progress over several years. There are more background details on risks related to reliability and quality issues in the Service Quality Incentive Scheme submission.

4.1.7 Quality of Supply

Australian Inland does not support the introduction of the proposed minimum standards in the current regulatory period. Voltage complaint investigation processes can take many months to complete and depending on the location of the customer and the issues involved, can be complicated and difficult to resolve. In addition, it may not be possible to achieve correction of some voltage issues. The application of this type of standard may be more suited to the environment regulated by OFGEM but it simply does not suit the environment in the far west of NSW. Again, some of the inherent network characteristics are explained in the submission on the Service Quality Incentive Scheme.

Summary

The current service standards are supported by Australian Inland.

AI will not be able to achieve the proposed standards for reliability and quality in 4.1.6 and 4.1.7 in the draft recommendations. These will result in much higher costs for Australian Inland. It will also be difficult to manage the potential confusion amongst customers in respect of reliability and quality concerns. There may be an inordinate amount of focus on the administration of these claims, legitimate or otherwise, which may distract the network personnel from the real task of making improvements to the network as planned in the coming years.

AI has several new systems being implemented at present which will contribute to the overall improvement of the network performance (eg asset management system, SCADA). However, implementation is over a number of years. We do not consider it expedient to implement minimum services standards in the area of reliability and quality until we are in a position to be able to meet the standards and prove that we can meet the standards, or otherwise.