

NSW Electricity Information Paper No 2

Distribution businesses' performance against customer service indicators

For the period 1 July 2000 to 30 June 2005

A series of information papers on the performance of NSW electricity businesses

Overview

This information paper focuses on the quality of customer service provided by the four NSW electricity distribution businesses – Australian Inland¹, Country Energy, EnergyAustralia and Integral Energy. It is one of a series of information papers published by the Independent Pricing and Regulatory Tribunal of NSW (the Tribunal), which aim to ensure that all stakeholders, including customers, have ready access to information about the electricity distribution and retail businesses.

Under the current regulatory regime, electricity companies are required to meet guaranteed customer service standards (GCSS), and collect and report on a range of operating statistics. The GCSS establish the minimum standard of customer service that the companies must provide in a variety of service areas. Some GCSS also require the companies to make a specified payment to the customers concerned if they fail to meet these standards. Operating statistics indicate how well a company is performing in a range of areas related to customer service, including the extent to which it is meeting the GCSS.

The Tribunal monitors and assesses each company's performance against these customer service indicators. This information paper provides an overview of that assessment of the four distribution companies' performance during the period 1 July 2000 to 30 June 2005 in relation to:

- ▼ timely provision of connection services
- ▼ repair of faulty streetlights
- ▼ timely notice of planned interruptions to supply
- provision of telephone services
- **▼** customer complaints.

Merged with Country Energy on 1 July 2005.

Overall, the data suggests that there was some improvement in the electricity distributors' performance in the areas of timely provision of connection services and number of customer complaints. In 2004/05, nearly all NSW customers (99.9 per cent) were connected to the distribution network by the date agreed to with the distributor. In addition, the number of customers who complained to their distributor decreased by approximately 22 per cent compared to the previous year, and represented a very small percentage of total NSW customers (0.2 per cent).

There was a slight reduction in some distributors' performance in the areas of repairing faulty streetlights, timely notice of planned interruptions to supply, and provision of telephone services. Nevertheless, during 2004/05, most NSW customers affected by planned interruptions to supply were provided with adequate notice (approximately 96 per cent). The number of streetlight faults remained fairly constant over the period, and approximately 95 per cent of repairs were completed within the agreed timeframe.

The main service area where some distributors need to improve is the provision of telephone services. However, there are consistency issues in the way the distributors report on the two indicators related to this area, which must be taken into account when analysing performance. This issue is being addressed by the Steering Committee on National Regulatory Reporting

Requirements (SCNRRR),² with the aim of tightening the definitions of the telephone services indicators to ensure greater consistency in reporting in the future.

Timely provision of connection services

In NSW, all electricity distributors are required to connect customers to the network by the date agreed with the customer. If they do not meet this GCSS, they are required to pay the customer concerned not less than \$60 per day (with a maximum payment of \$300 per annum).

Figure 1 shows the number of customer connections not undertaken by the agreed date over the period 2000/01 to 2004/05. It indicates that only a small number of connections were not undertaken by the agreed date, and that this number has progressively decreased.

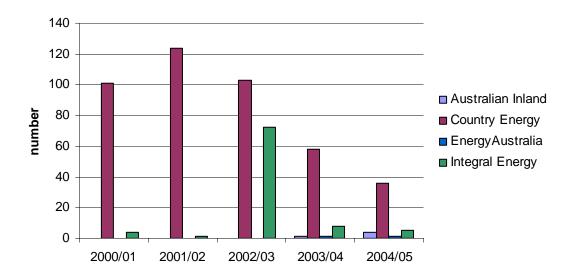


Figure 1 Number of connections not undertaken by the agreed date³

² A Steering Committee of the Utility Regulators Forum.

³ Graph not adjusted for scale.

The number of connections not made by the agreed date in 2004/05 represents less than 0.02 per cent of the total number of customer connections made in this year. This compares favourably with Victoria where 0.08 per cent of all customer connections were not undertaken by the agreed date in 2004.⁴

Figure 2 shows the value of each distributor's customer payments for breaching the GCSS related to timely provision of connection services over the period. It indicates that the total value of these payments made by each distributor was low due to the level of service in this area. The adoption of a policy by all distributors in 2002/03 to only make payments on customer application also reduced the amount of compensation paid.

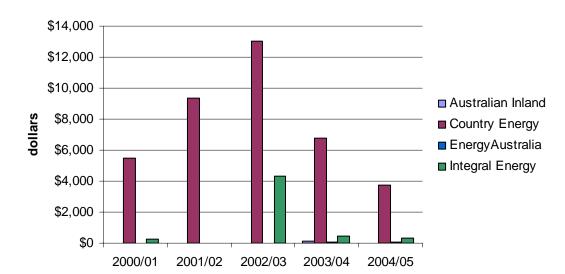


Figure 2 Value of customer payments for not providing connection by the agreed date⁵

Repair of faulty streetlights

All NSW distributors are required to repair faulty streetlights by the date agreed with the customer who reports the fault, and to make a payment of not less than \$20 per light if they breach this GCSS.⁶

Figures 3 and 4 show the number of streetlight faults reported to each distributor over the period 2000/01 to 2004/05, and the average number of days taken to repair these faults. This data indicates that the total number of streetlight faults in NSW has decreased since 2000/01, and has remained fairly constant over the last two years. The average number of days taken to repair faulty streetlights has fluctuated over the period.

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Sourced from Victoria Essential Services Commission; *Electricity Distribution Businesses – Comparative Performance Report*, for the calendar year of 2004.

⁵ Graph not adjusted for scale.

This is paid only if the customers' premises abut the part of the street affected by the street lighting fault and if the customer is the first one to notify the distributor.

Figure 3 Number of streetlight faults reported⁷

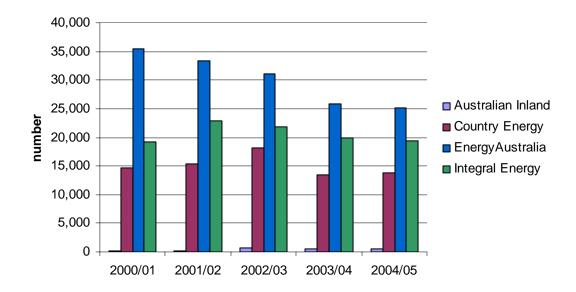
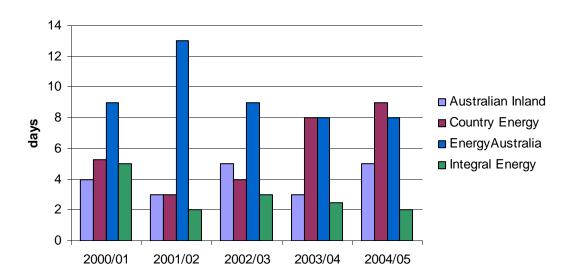


Figure 4 Average number of working days to repair faulty streetlights



In an effort to further improve streetlight services, the Department of Energy, Utilities and Sustainability (DEUS) recently published the NSW Public Lighting Code (the Code).⁸ The Code establishes minimum standards of service and maintenance plans for streetlights, and minimum requirements for inventories, performance reporting and billing in this area. Specifically, it sets a minimum service standard for distributors to repair public lighting assets (excluding network supply faults) within an average of 8 working days of a fault being reported. In addition, the Code has introduced a guaranteed service level that requires a streetlight to be repaired within 12 working days of the fault being reported. Failure to meet this standard incurs a \$15 compensation payment. The Code provides stricter guidelines, but does recognise some instances of severe weather conditions, large scale power outages, unavailability of equipment, or restricted access can prevent distributors from repairing faults within the required timeframe.

Graph not adjusted for scale.

⁸ The NSW Public Lighting Code commenced on 1 January 2006.

The Tribunal believes the Code delivers a more comprehensive approach than the GCSS related to the repair of faulty streetlights, and supports the Code replacing this GCSS

In 2004/05, all distributors except Country Energy repaired faulty streetlights within the 8 working day standard set by the Code. The data suggests that Country Energy's performance in this area decreased over the period: its average number of days to repair streetlights increased from approximately 5 days in 2000/01 to 9 in 2004/05. However, Country Energy reports that this apparent increase stems from an IT data entry issue. Currently, its IT platform records the date on which a streetlight repair was entered into the system, instead of the date which the repair was actually completed, which is likely to be several days earlier. Country Energy anticipates returning to an average of 4-5 days to repair faulty streetlights once this data entry problem is fixed.⁹

Figure 5 shows the total value of customer payments for not repairing faulty streetlights by the agreed date made by each distributor. The compensation value is low due to the level of service in this area (95 per cent of streetlight repairs were completed within the timeframes agreed with customers). The adoption of a policy by all distributors in 2002/03 to only make payments on customer application also reduced the total amount of compensation paid.

\$14,000 \$12,000 \$10,000 Australian Inland \$8,000 ■ Country Energy EnergyAustralia \$6,000 ■ Integral Energy \$4,000 \$2,000 \$0 2000/01 2001/02 2002/03 2003/04 2004/05

Figure 5 Value of customer payments for not completing streetlight repairs by the agreed date¹⁰

Note: Australian Inland reported that all streetlight repairs were completed by the agreed date.

Timely notice of planned interruptions to supply

Electricity distributors are required to give customers at least 2 business days' notice of planned interruptions to supply, and to specify how long the interruption will last. If they fail to give the required notice, or the interruption lasts longer than specified, they are required to pay the affected customers not less than \$20 per event.

Figure 6 shows the number of planned interruptions to supply that occurred over the period 2000/01 to 2004/05. It indicates that for most distributors, this number remained fairly constant over the period. This number is also relatively low: in 2004/05, the number of customers affected by planned interruptions represented only 0.4 per cent of total network customers.

⁹ Country Energy intends to incorporate an additional field in its IT system for 'date repaired'. This should occur in the first half of 2006.

Graph not adjusted for scale.

The figure also indicates that Country Energy had a higher number of planned interruptions than the other distributors. This number decreased significantly between 2000/01 and 2001/02, and then remained fairly constant. Country Energy reports that its higher number of planned interruptions is due to the greater size of its physical network.¹¹

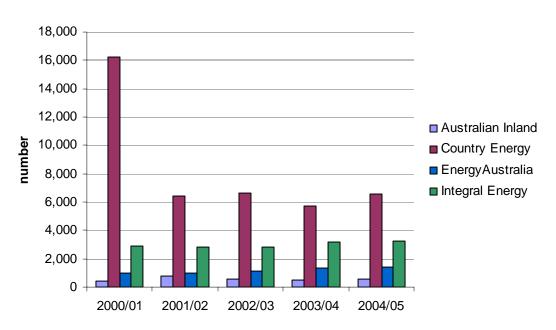


Figure 6 Number of planned interruptions to supply 12

Figure 7 shows the percentage of planned interruptions where the distributor did not provide affected customers with the required notice. It indicates that overall, this percentage increased over the period, but is still low. In 2004/05, only 4 per cent of total network customers were affected by a breach of the GCSS related to providing notice of planned interruptions to supply.

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Country Energy is responsible for approximately 65 per cent of the state's total line length through its electricity distribution network.

Graph not adjusted for scale.

Figure 7 Percentage of planned interruptions to supply where the required notice was not provided to affected customers¹³

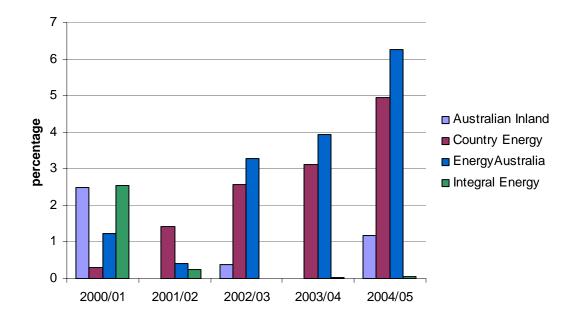
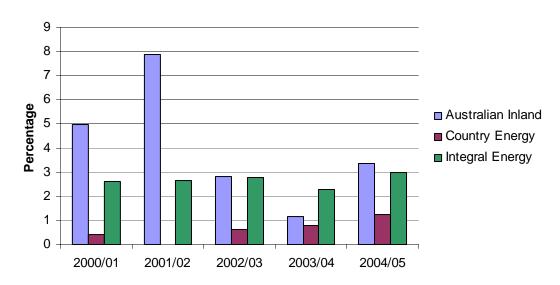


Figure 8 shows the percentage of planned interruptions to supply where the interruption lasted longer than specified in the notice provided by the distributor. In general, this percentage remained fairly low throughout the period.

Figure 8 Percentage of planned interruptions to supply where the interruption lasted longer than specified



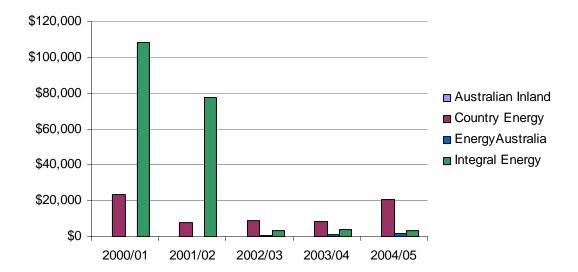
Note: EnergyAustralia's current IT systems do not distinguish between notices not given, or for notices exceeded. EnergyAustralia categorises an exceeding of notice the same as though notice was not given. EnergyAustralia is currently designing changes to IT systems so that both figures can be split for reporting purposes.

Figure 9 shows the value of customer payments for breaches of the GCSS related to notice of planned interruptions to supply. The significant decrease in the value of payments made by Integral Energy after 2001/02 is likely to be due to the adoption by all distributors in 2002/03 of a policy to make GCSS payments only on customer application.

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Graph not adjusted for scale.

Figure 9 Value of customer payments for not providing the required notice or interrupting supply for longer than indicated in the notice¹⁴



Provision of telephone services

Distributors are required to provide a telephone service with information concerning faults and difficulties, and to which a person can be connected for not more than the price of a local telephone call.¹⁵ In NSW, automated answering services only satisfy this requirement if they make provision for calls to be transferred to a human operator.

Distributors are also required to report on the percentage of calls to this service that are answered by a human operator within 30 seconds, and the percentage of calls that dropped out or were abandoned by the caller. There is no customer payment related to these GCSS. This data is shown in Figures 10 and 11.

Please note that Australian Inland was not able to provide statistics relating to telephone services due to the age and technical capabilities of telephone exchanges within its area of operation. This issue expected to be resolved through its merger with Country Energy.

In addition, there are inconsistencies in the statistics provided by the other distributors that make it difficult to compare Country Energy's performance with that of EnergyAustralia and Integral Energy. These inconsistencies are due to differences in their automated telephone systems, which affect their ability to report on the telephone service indicators. All three distributors have automated Interactive Voice Response (IVR) systems that provide updated information on outages and thus reduce the number of callers who need to speak to a human operator.

However, only EnergyAustralia's and Integral Energy's automated telephone systems have the capacity to separate out calls initially answered by an automated IVR and subsequently transferred to a human operator, and to record the length of time it takes for the calls to be answered by a human operator, as well as the number of calls that drop out or are abandoned before being answered. Country Energy does not have the capacity to separate their IVR calls from calls answered by a human operator, which means that calls are recorded as abandoned when they may have been satisfactorily answered by the automated IVR.

¹⁵ Clause 40 and Schedule 3, Part 2 clause 10(1) of the *Electricity Supply (General) Regulation* 2001.

Graph not adjusted for scale.

Both EnergyAustralia and Integral Energy's systems are set up so that when customer calls from a location that has a known outage, they will be advised by automated message of the incident and the restoration time. The customer then terminates the call, consistent with the intent of the system. These calls are not classified by the distributors as abandoned.

Figure 10 Percentage of calls answered by a human operator within 30 seconds¹⁷

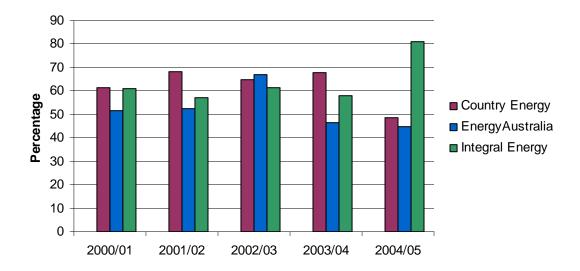
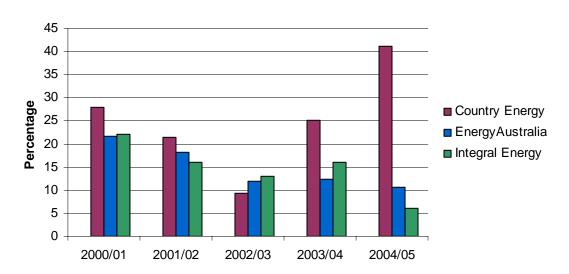


Figure 11 Percentage of calls that were abandoned or dropped out before being answered by a human operator¹⁸



Figures 10 and 11 indicate that Integral Energy has improved its performance against both telephone service indicators over the reporting period.¹⁹ It has advised that this improvement was the result of increased coaching and development of staff through quality assurance programs and technical training. As a consequence, the average time required to deal with each call has been reduced.

EnergyAustralia's performance against the provision of telephone services indicators was mixed. On the one hand, the percentage of calls answered by a human operator within 30 seconds progressively deteriorated since 2002/03. The distributor recognises the need to improve on its performance, and is implementing a strategy aimed at reducing the need for customers to speak to human operators by making more efficient use of its automated IVR systems. On the other hand, EnergyAustralia's performance in relation to the percentage of calls that were abandoned or dropped out before being answered by a human

Graph not adjusted for scale.

Graph not adjusted for scale.

Country Energy does not have the capacity to separate their IVR calls from calls answered by a human operator, which means that calls are recorded as abandoned when they may have been satisfactorily answered by the automated IVR.

operator improved over the period. In 2004/05, just 11 per cent of customer calls were recorded as abandoned or having dropped out, compared to 22 per cent in 2000/01.

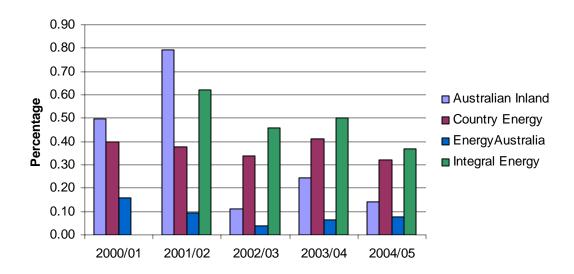
The definitions of the two indicators for provision of telephone services need to be changed to more accurately reflect the capacity of the distributor's telephone systems and the performance that the Tribunal is attempting to measure. This matter is being addressed by SCNRRR with the aim of tightening the definitions of these indicators to ensure greater consistency in reporting in the future.

Number of customer complaints

The distributors are required to collect and report on the percentage of residential and non-residential small retail customers who complain to them about distribution network services. Their performance against these indicators is shown in Figures 12 and 13.

These figures indicate that the overall level of customer complaints in NSW was low throughout the reporting period. In 2004/05, 0.2 per cent of all customers complained to their distributor in NSW and has decreased slightly since last year. Victorian distributors reported a 41 per cent increase since 2003 in their complaint levels with 0.1 per cent of all customers having complained to their distributor.²⁰

Figure 12 Percentage of residential small retail customers who complained to distributors about distribution network services²¹

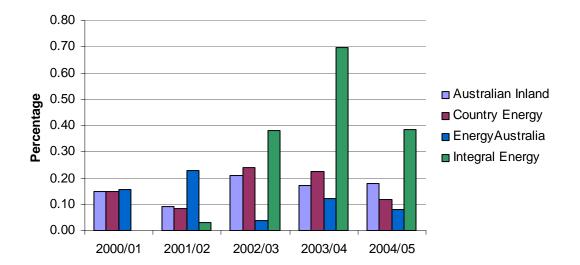


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²⁰ Electricity Distribution Business – Comparative Performance Report, Calendar Year 2004 (p.98-99 Essential Services Commission, Victoria).

Graph not adjusted for scale.

Figure 13 Percentage of non residential small retail customers who complained to distributors about distribution network services²²



APPENDIX 1 COMPARATIVE PERFORMANCE DATA TABLES

Distributor customer service performance data

Percentage of connections not undertaken by the agreed date								
	2000/01	2001/02	2002/03	2003/04	2004/05			
Australian Inland	0.000	0.000	0.000	0.073	0.207			
Country Energy	0.098	0.072	0.068	0.032	0.021			
EnergyAustralia	0.000	0.000	0.000	0.013	0.014			
Integral Energy	0.003	0.001	0.048	0.006	0.005			
Total	0.037	0.040	0.055	0.022	0.016			

Value of customer payment for not providing connection by the agreed date							
	2000/01	2001/02	2002/03	2003/04	2004/05		
Australian Inland	\$0	\$0	\$0	\$120	\$0		
Country Energy	\$5,460	\$9,360	\$13,020	\$6,780	\$3,720		
EnergyAustralia	\$0	\$0	\$0	\$60	\$60		
Integral Energy	\$260	\$0	\$4,320	\$480	\$300		
Total	\$5,720	\$9,360	\$17,340	\$7,440	\$4,080		

Number of reported streetlight faults					
	2000/01	2001/02	2002/03	2003/04	2004/05
Australian Inland	253	119	741	527	472
Country Energy	14,654	15,433	18,144	13,378	13,758
EnergyAustralia	35,538	33,325	31,013	25,921	25,121
Integral Energy	19,197	22,839	21,791	19,892	19,396
Total	69,642	71,716	71,689	59,718	58,747

Percentage of streetlight repairs not completed by the agreed date							
	2000/01	2001/02	2002/03	2003/04	2004/05		
Australian Inland	0.0	0.0	0.0	0.0	0.0		
Country Energy	9.3	1.0	0.5	0.9	1.4		
EnergyAustralia	2.2	2.5	2.7	4.1	6.6		
Integral Energy	1.1	11.2	12.0	8.5	5.5		
Total	3.4	4.9	5.0	4.8	5.0		

Average number of days to repair faulty streetlights					
	2000/01	2001/02	2002/03	2003/04	2004/05
Australian Inland	4.0	3.0	5.0	3.0	5.0
Country Energy	5.3	3.0	4.0	8.0	9.0
EnergyAustralia	9.0	13.0	9.0	8.0	8.0
Integral Energy	5.0	2.0	3.0	2.5	2.0
Total	5.8	5.3	5.3	5.4	6.0

Value of customer payment for not completing streetlight repairs by the agreed date (Value \$)								
	2000/01	2001/02	2002/03	2003/04	2004/05			
Australian Inland	N/A	N/A	N/A	N/A	NA			
Country Energy	\$1,005	\$2,340	\$1,470	\$1,830	\$2,835			
EnergyAustralia	\$11,925	\$12,435	\$12,555	\$12,435	\$7,005			
Integral Energy	\$3,300	\$8,985	\$2,160	\$285	\$90			
Total	\$16,230	\$23,760	\$16,185	\$14,550	\$9,930			

Number of planned interruptions to supply					
	2000/01	2001/02	2002/03	2003/04	2004/05
Australian Inland	442	749	534	526	597
Country Energy	16,251	6,419	6,647	5,702	6,583
EnergyAustralia	986	967	1,128	1,325	1,437
Integral Energy	2,886	2,841	2,837	3,179	3,269
Total	20,565	10,976	11,146	10,732	11,886

Percentage of planned interruptions to supply where the distributor did not provide the required notice to affected customers							
	2000/01	2001/02	2002/03	2003/04	2004/05		
Australian Inland	2.50	0.00	0.40	0.00	1.17		
Country Energy	0.30	1.40	2.60	3.10	4.94		
EnergyAustralia	1.20	0.40	3.30	3.90	6.26		
Integral Energy	2.50	0.20	0.00	0.00	0.06		
Total	0.72	0.94	1.88	2.14	3.57		

Percentage of planned interruptions to supply where the distributor interrupted supply for longer than indicated in the customer notice							
	2000/01	2001/02	2002/03	2003/04	2004/05		
Australian Inland	5.0	7.9	2.8	1.1	3.4		
Country Energy	0.4	0.0	0.6	0.8	1.3		
EnergyAustralia	0.0	0.0	0.0	0.0	0.0		
Integral Energy	2.6	2.6	2.8	2.3	3.0		
Total	0.8	1.2	1.2	1.2	1.7		

Value of customer related payment for not providing the required notice or interrupting supply for longer than indicated in the customer notice								
	2000/01	2001/02	2002/03	2003/04	2004/05			
Australian Inland	\$0	\$0	\$0	\$0	\$20			
Country Energy	\$23,540	\$7,940	\$9,180	\$8,195	\$20,595			
EnergyAustralia	\$240	\$80	\$740	\$1,040	\$1,800			
Integral Energy	\$108,460	\$77,420	\$3,280	\$3,760	\$3,260			
Total	\$132,240	\$85,440	\$13,200	\$12,995	\$25,675			

Percentage of calls answered by a human operator within 30 seconds						
	2000/01	2001/02	2002/03	2003/04	2004/05	
Australian Inland	N/A	N/A	N/A	N/A	NA	
Country Energy	61.4	68.2	65.0	68.0	48.4	
EnergyAustralia	51.8	52.5	66.9	46.4	44.6	
Integral Energy	61.0	57.0	61.5	58.0	81.0	
Total	57.9	58.8	65.1	56.7	52.1	

Percentage of calls that were abandoned or dropped out before being answered by a human operator							
	2000/01	2001/02	2002/03	2003/04	2004/05		
Australian Inland	N/A	N/A	N/A	N/A	NA		
Country Energy	27.9	21.5	9.4	25.0	41.2		
EnergyAustralia	21.6	18.1	12.0	12.3	10.5		
Integral Energy	22.0	16.0	13.0	16.0	6.0		
Total	23.9	18.7	11.3	17.9	23.0		

Percentage of residential small retail customers who complained to distributors about distribution network services							
	2000/01	2001/02	2002/03	2003/04	2004/05		
Australian Inland	0.5	8.0	0.1	0.2	0.1		
Country Energy	0.4	0.4	0.3	0.4	0.3		
EnergyAustralia	0.2	0.1	0.0	0.1	0.1		
Integral Energy	0.0	0.6	0.5	0.5	0.4		
Total	0.07	0.27	0.20	0.24	0.19		

Percentage of non residential small retail customers who complained to distributors about distribution network services							
	2000/01	2001/02	2002/03	2003/04	2004/05		
Australian Inland	0.15	0.09	0.21	0.17	0.18		
Country Energy	0.15	0.08	0.24	0.23	0.12		
EnergyAustralia	0.16	0.23	0.04	0.12	0.08		
Integral Energy	0.00	0.03	0.38	0.70	0.39		
Total	0.07	0.13	0.18	0.28	0.16		

Percentage of complaints about network matters					
	2000/01	2001/02	2002/03	2003/04	2004/05
Australian Inland	0.43	0.65	0.13	0.23	0.15
Country Energy	0.36	0.32	0.32	0.39	0.29
EnergyAustralia	0.16	0.10	0.04	0.07	0.08
Integral Energy	0.49	0.57	0.46	0.52	0.37
Total	0.29	0.28	0.22	0.26	0.20

APPENDIX 2 NOTES AND DEFINITIONS

Customers

"Customer" means a supply connection point.

"Small retail customer" means a customer whose electricity consumption in NSW is no more than 160 megawatt hours per annum.

"Residential small retail customer" means a small retail customer who uses their premises primarily for residential purposes.

"Non-residential small retail customer" means a small retail customer who uses their premises primarily for non-residential purposes.

Repair of faulty streetlights

"Average number of days to repair faulty streetlights" = Total number of streetlight repair days/Total number of reported streetlight faults

The GCSS related to streetlights applies to street lighting that is owned by the distributor or that the distributor is under a legally enforceable obligation to maintain, but does not apply to street lighting to which the distributor merely supplies electricity or connection services. It also only applies in respect of the customer if the customer's premises abut the part of the street that (but for the fault) would ordinarily be illuminated by the street lighting.

Complaints

"Complaint" means a written or verbal expression of dissatisfaction about an action, a proposed action, or a failure to act by a distributor, its employees, agents or contractors. This includes failure by a distributor to observe its published or agreed practices or procedures. It does not include a complaint made about the distributor to any other body.

However, the Tribunal seeks information from EWON on the number of small retail customers who took their complaint about a distributor's service to EWON.

Guaranteed Customer Service Standards (GCSS)

GCSS are established under clause 40 and Schedule 3, Part 2 of the *Electricity Supply (General) Regulation* 2001.