

## NSW Electricity Information Paper No 5

# Distribution businesses' performance against customer service indicators

For the period 1 July 2001 to 30 June 2006

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

#### Introduction

This information paper focuses on the quality of customer service provided by the three NSW electricity distribution businesses – Country Energy,<sup>1</sup> EnergyAustralia and Integral Energy. It is the fifth in 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 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 customer service indicators based on the GCSS and operating statistics. This information paper provides an overview of that assessment of the three distribution companies' performance during the period 1 July 2005 to 30 June 2006 in relation to:

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

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<sup>1</sup> Australian Inland merged with Country Energy on 1 July 2005; historical data has been combined to allow for valid comparisons.

- ▼ customer complaints.

It is important to note that new licence conditions have been introduced to impose design, reliability and performance standards on distribution network service providers. Reporting against these new standards is required from 2006/07.

## Overview of key findings

Overall, the Tribunal's analysis of the distributors' performance against the customer service indicators suggests there was some slight deterioration in the standard of customer service over 2005/06. However, the overall standard still appears to be high. The Tribunal's key findings were as follows:

- ▼ There was a slight decrease in electricity distributors' performance in the area of timely provision of connection services. But performance in this area remains high: nearly all NSW customers (99.9 per cent) were connected to the distribution network by the date agreed to with the distributor.
- ▼ The total number of reported streetlight faults decreased by approximately 9 per cent.
- ▼ The number of customer complaints about network matters increased by approximately 17 per cent across all distributors, but this number remained low as a proportion of all NSW customers (0.2 per cent).
- ▼ EnergyAustralia and Integral Energy performed adequately in the area of provision of call centre services. However, Country Energy's call centre performance still cannot be compared due to data consistency issues.

The Tribunal has found that several performance indicators are being inconsistently reported on and believes that it might be necessary to audit those distributors to confirm the accuracy of the data supplied.

The sections below provide an overview of the Tribunal's assessment of NSW electricity distributors' performance against each customer service indicator.

## 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).<sup>2</sup>

Figure 1 shows the number of customer connections not undertaken by the agreed date over the period 2001/02 to 2005/06. Figure 2 shows the value of compensation paid to customers by distributors for not connecting them by the agreed date. The number of connections not undertaken by the agreed date was slightly higher in 2005/06 than it was in the previous year, but remains low overall.

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<sup>2</sup> Guaranteed customer service standard established under clause 40 and Schedule 3, Part 2, clause 9 of the *Electricity Supply (General) Regulation 2001*.

Figure 1 Electricity Distribution – Number of connections provided after the agreed date

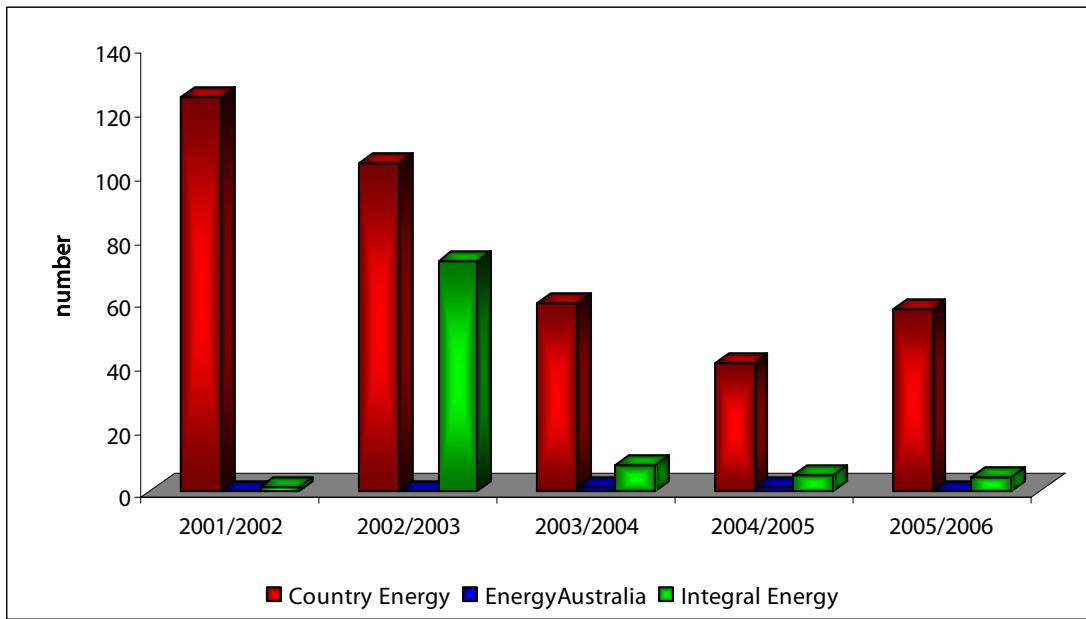
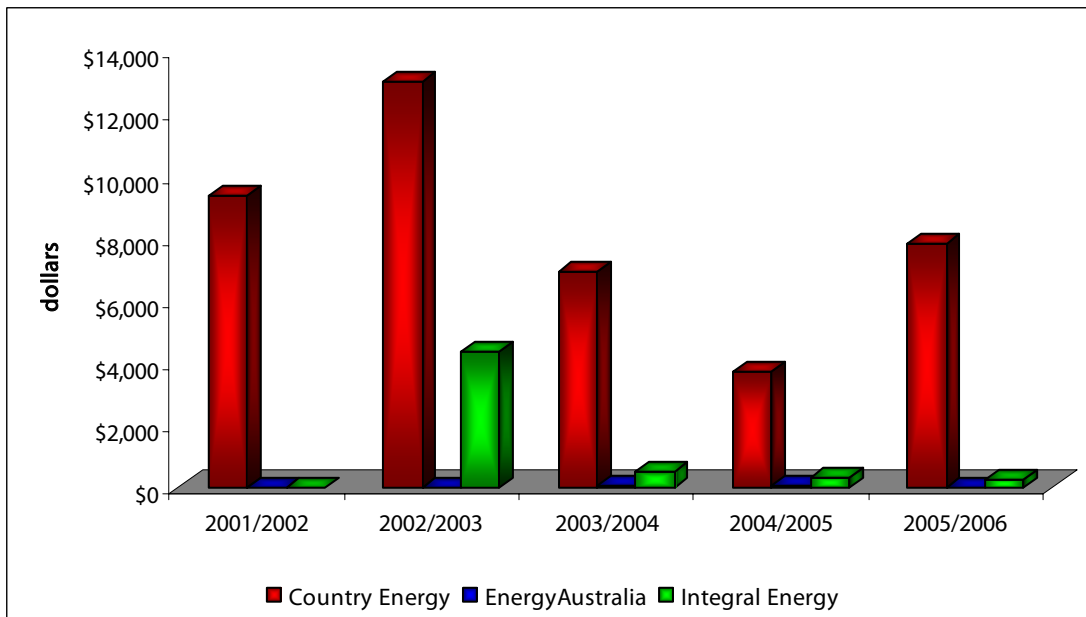


Figure 2 Electricity Distribution – Value of compensation paid for not providing connections by the agreed date<sup>3</sup>



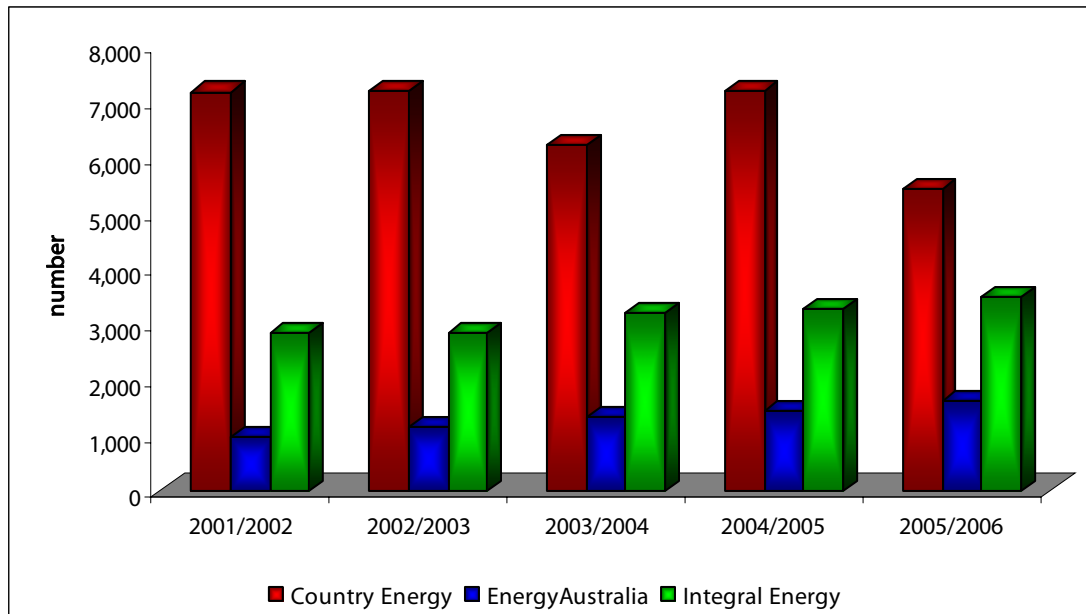
<sup>3</sup> It should be noted that all distributors have adopted the policy to only make payments on customer application. Hence the value of compensation remains low.

### Timely notice of planned interruptions to supply

Electricity distributors are required to give affected customers at least 2 business days' notice of planned interruptions to supply, and must 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.<sup>4</sup>

Figure 3 shows the number of planned interruptions to supply that occurred over the period 2001/02 to 2005/06.

**Figure 3 Electricity Distribution – Number of planned interruptions to supply**

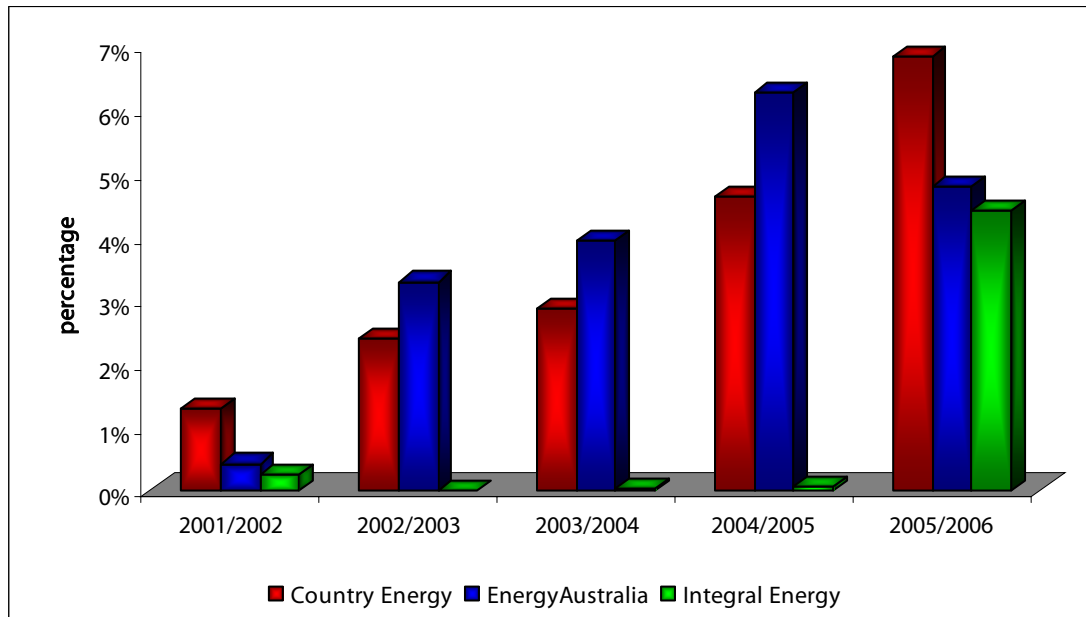


The aggregate number of planned interruptions to supply decreased by approximately 11 per cent over 2005/06, due to improvement in Country Energy's performance. The number of planned interruption by the other distributors' increased slightly.

Figures 4 and 5 show the percentage of planned interruptions where insufficient notice was given and the value of compensation paid to customers in relation to this GCSS for the period 2001/02 to 2005/06.

<sup>4</sup> Guaranteed customer service standard established under clause 40 and Schedule 3, Part 2, clause 10 of the *Electricity Supply (General) Regulation 2001*.

**Figure 4 Electricity Distribution – Percentage of planned interruptions to supply where insufficient notice was given**



In 2005/06, most NSW customers affected by planned interruptions to supply were provided with adequate notice (approximately 94 per cent). EnergyAustralia improved its performance in this area, while the performance of Country Energy and Integral Energy appears to have deteriorated.<sup>5</sup> For Country Energy, the proportion of planned interruptions where insufficient notice was given increased from approximately 5 per cent to 7 per cent. Country Energy indicates there are many factors that affect the notification of a planned interruption to customers, and that it is currently reviewing its notification process.

For Integral Energy, the proportion of planned interruptions where insufficient notice was given increased from 0.1 per cent to approximately 4 per cent. Integral Energy reports that this apparent increase is not due to a deterioration of its service levels, but rather reflects its inaccurate reporting in the past. It also reports that it has now enhanced its reporting systems, and now has confidence in the figures being provided for 2005/06.

<sup>5</sup> Also see EnergyAustralia's explanation of its data consistency issue in relation to figure 6 for further information.

**Figure 5 Electricity Distribution - Value of compensation paid for planned interruptions insufficient notice given<sup>6</sup>**

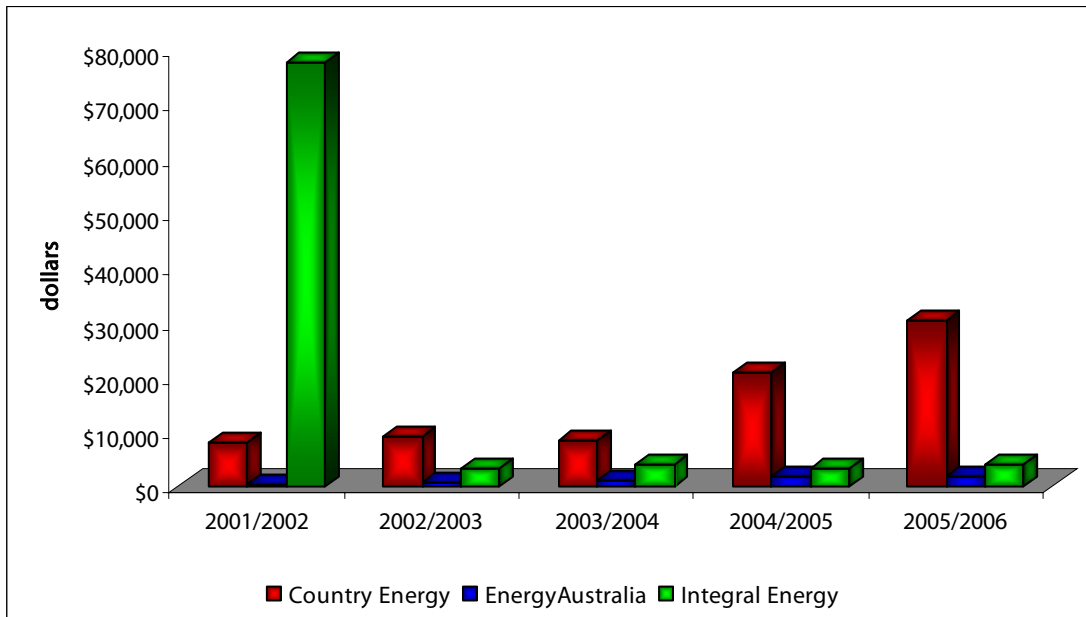
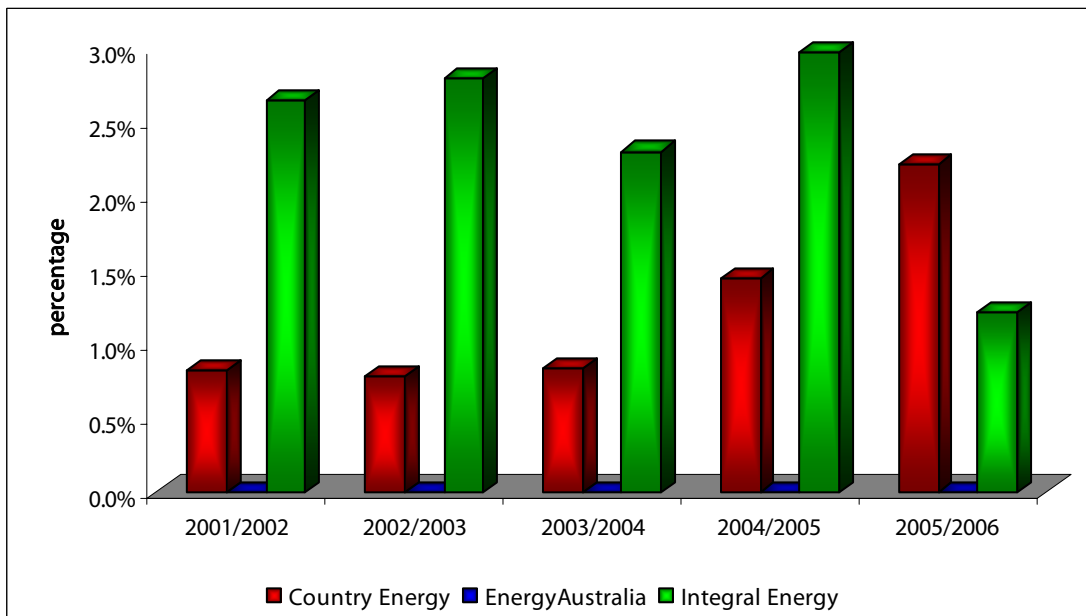


Figure 6 shows the percentage of planned interruptions to supply that lasted longer than advised for the period from 2001/02 to 2005/06.

**Figure 6 Electricity Distribution – Percentage of planned interruptions to supply that lasted longer than advised**



<sup>6</sup> A low level of compensation is paid primarily because all distributors have adopted the policy to make payments only on customer application.

Integral Energy's percentage of planned interruptions that lasted longer than advised decreased in 2005/06, while those for Country Energy increased slightly. However, the percentage for both distributors remained low, with just under 2 per cent of all planned interruptions lasting longer than advised.

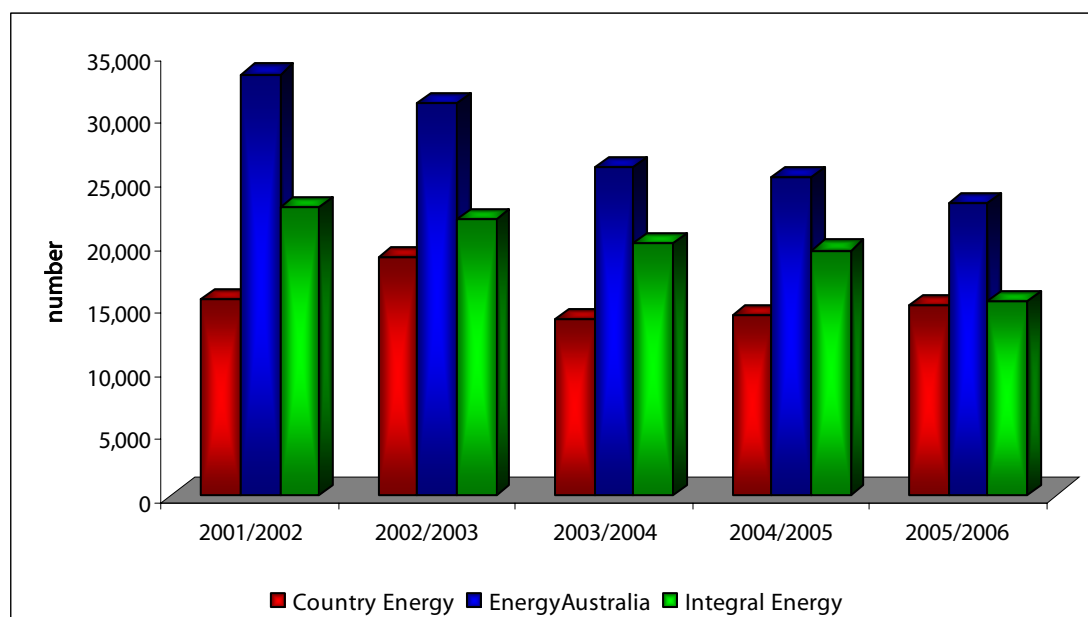
EnergyAustralia's performance against this indicator cannot be compared to the other distributors due to a data consistency issue. EnergyAustralia's system was unable to differentiate between planned interruptions to supply where insufficient notice was given and planned interruptions to supply that lasted longer than advised. Its financial system classified all these planned interruptions as insufficient notice to allow for customer compensation payments to be made. However, this problem was fixed in June 2006 so that performance against both indicators will be recorded separately in 2006/07, in line with the other distributors.

### Repair of faulty streetlights

All NSW electricity distributors are required to repair faulty streetlights by the date agreed with the customer who reported the fault, and to make a payment of not less than \$15 per light if they breach this GCSS.<sup>7</sup>

Figure 7 shows the number of reported streetlight faults from 2001/02 to 2005/06. This number has been progressively declining, and decreased by approximately 9 per cent in 2005/06. Figure 8 shows the value of compensation paid by distributors to customers for breaching this GCSS. This value has also declined over the last few years.

**Figure 7 Electricity Distribution – Number of reported street light faults**



<sup>7</sup> Guaranteed customer service standard established under clause 40 and Schedule 3, Part 2, clause 12 of the *Electricity Supply (General) Regulation 2001*.

**Figure 8 Electricity Distribution – Value of compensation paid for not completing street light fault repairs by the agreed date<sup>8</sup>**

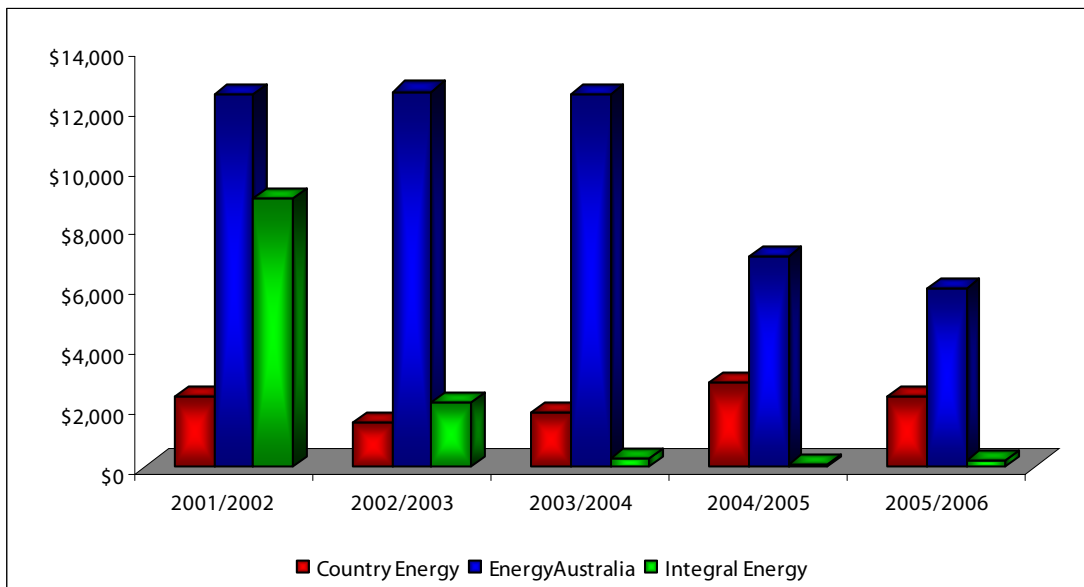
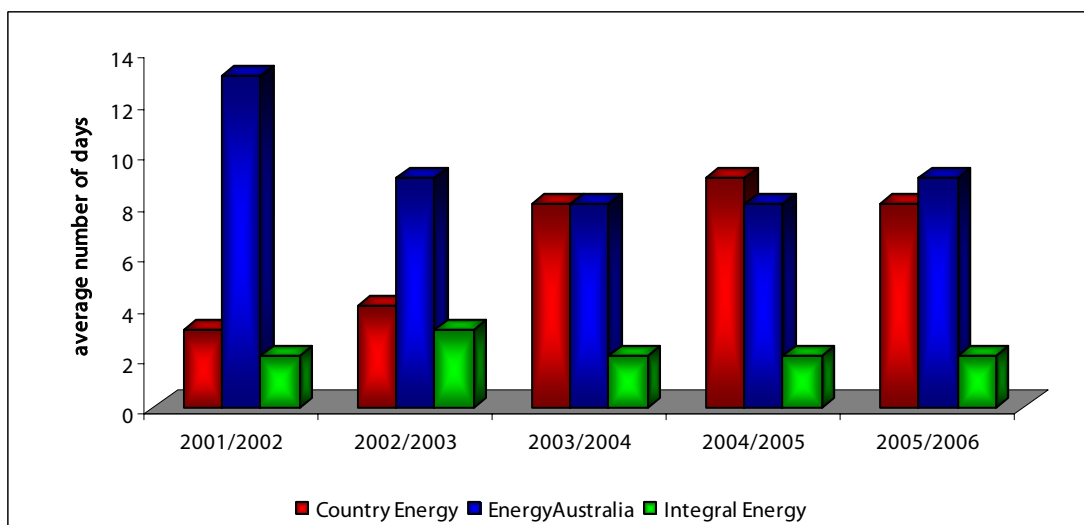


Figure 9 shows the average number of working days taken to repair streetlight faults.

**Figure 9 Electricity Distribution – Average number of working days to repair streetlight faults<sup>9</sup>**



Under the NSW Public Lighting Code (the Code), as a minimum standard of service, distributors should repair streetlights within an average of 8 working days of the fault being reported. In 2005/06, EnergyAustralia was the only distributor who did not meet this minimum standard. EnergyAustralia reports that it is working towards compliance with the Code. It also notes that its response times are often affected by the need to get Roads and Traffic Authority (RTA) approval to repair streetlights on certain major roads, and that it has a higher number of underground supply faults than other distributors. These underground faults take longer to locate and rectify.

<sup>8</sup> A low level of compensation is paid primarily because all distributors have adopted the policy to make payments only on customer application.

<sup>9</sup> Country Energy and Australian Inland's data has not been combined on this performance indicator, as it would make it historically disproportionate.

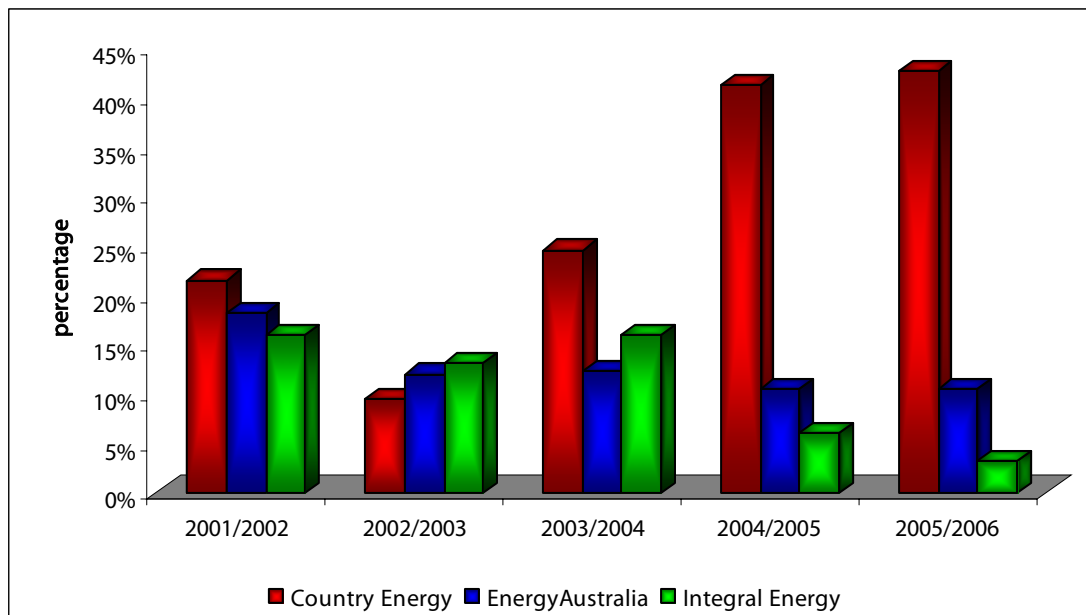


## Call centre responsiveness

Electricity distributors are required to provide call centre services that provide customers with information concerning faults and difficulties, to which customers can be connected for not more than the price of a local telephone call. In NSW, automated answering services satisfy this requirement if they make provision for calls to be transferred to a human operator.<sup>10</sup>

Figure 10 shows the percentage of calls to distributors' call centres that were abandoned or dropped out before being answered by a human operator from 2001/02 to 2005/06.

**Figure 10 Electricity Distribution – Percentage of calls abandoned or dropped out**



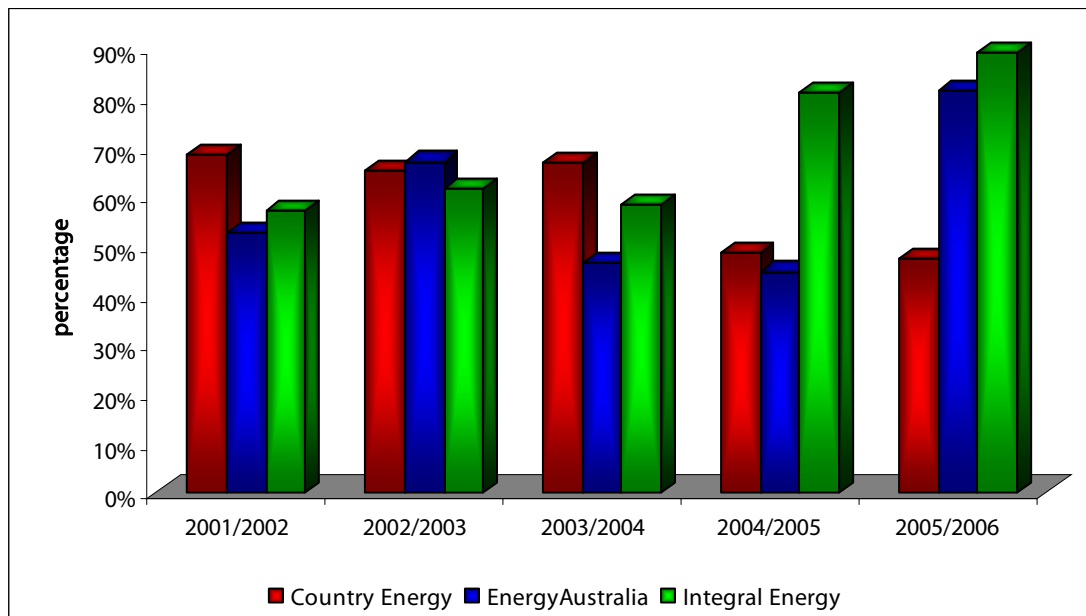
Overall, it appears that the percentage of calls that were abandoned or dropped out increased in 2005/06. But this is likely to be due to inaccurate reporting by Country Energy. The other two distributors had an acceptable level of call centre performance this year.

Country Energy's telephone system still does not have the capability to separate out calls handled by an automated interactive messaging system and calls abandoned. The actual number of calls abandoned is likely to be significantly lower than the figures suggest. Country Energy anticipates this issue to be rectified in the current reporting period.

Figure 11 shows the percentage of calls answered by a human operator within 30 seconds in the electricity distributors' call centres from 2001/02 to 2005/06.

<sup>10</sup> Guaranteed customer service standard established under clause 40 and Schedule 2, part 2, clause 11(1) of the *Electricity Supply (General) Regulation 2001*.

**Figure 11 Electricity Distribution – Percentage of calls answered by a human operator within 30 seconds**



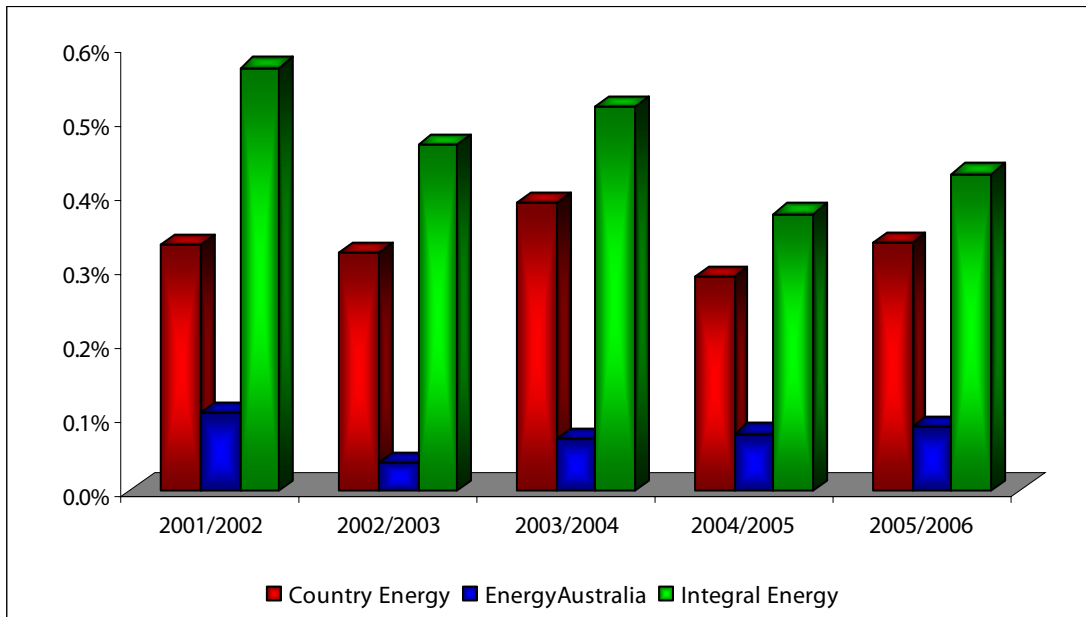
Country Energy states that its current telephone system only has the capability to measure calls answered within 20 seconds and therefore it is applying a higher standard than the two other distributors. It states that it is looking to adjust its system to rectify this issue so it can report on calls answered within 30 seconds for 2006/07.

EnergyAustralia and Integral Energy have maintained a satisfactory standard of call centre service, with customer calls being answered within 30 seconds over 80 per cent of the time.

### Number of customer complaints

The distributors are required to collect and report on the number of small retail customers who complain to them in relation to network service matters. Figure 12 shows their performance against this indicator.

**Figure 12 Electricity Distribution – Percentage of complaints by small retail customers about network matters**



In 2005/06, the total number of customers who complained about network matters increased by approximately 17 per cent. However, this number remains low as a percentage of all NSW customers (0.2 per cent).

Figures 13 and 14 show that historically, most customer complaints about network matters come from residential customers.

**Figure 13 Electricity Distribution – Percentage of small retail customers who complained about network matters who were residential customers**

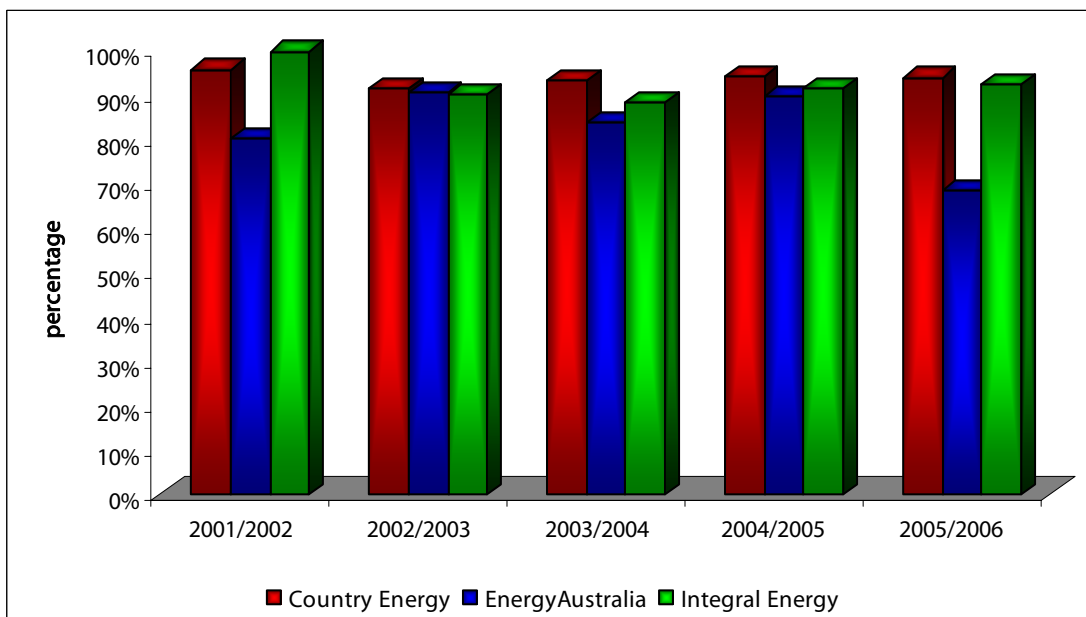
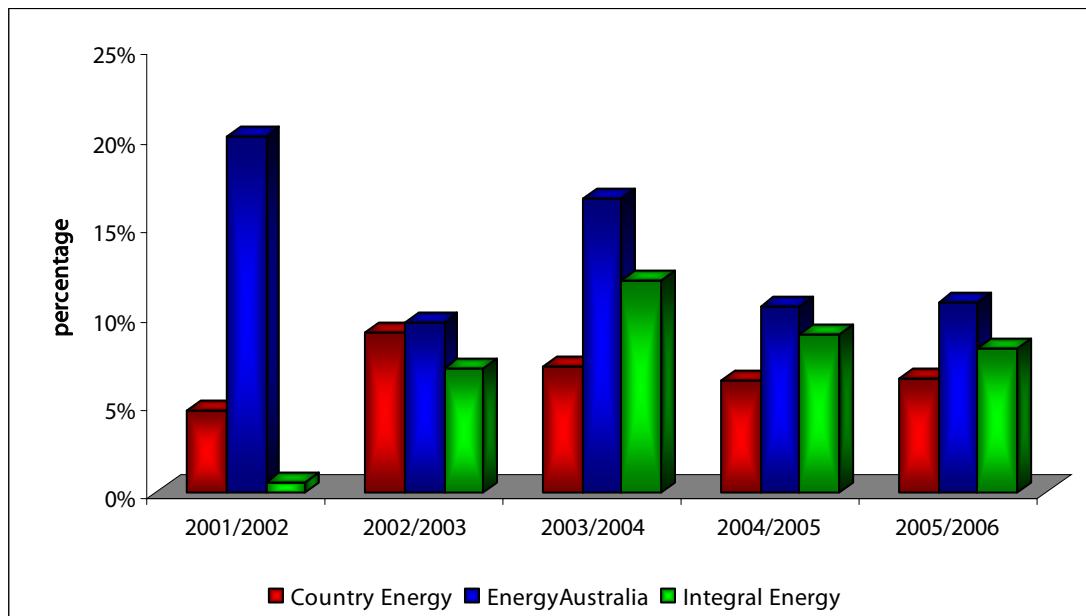


Figure 14 Electricity Distribution – Percentage of small retail customers who complained about network matters who were non-residential customers



Residential customers made approximately 88 per cent of the total customer complaints about network matters, while non-residential customers made less than 8 per cent.

**APPENDIX 1 ELECTRICITY DISTRIBUTOR CUSTOMER SERVICE PERFORMANCE DATA, 2001/2002 TO 2005/2006**

<b>Percentage of calls abandoned or dropped out</b>					
	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
Country Energy	21.5%	9.4%	24.5%	41.2%	42.6%
EnergyAustralia	18.1%	12.0%	12.3%	10.5%	10.5%
Integral Energy	16.0%	13.0%	16.0%	6.0%	3.2%
<b>Grand Total</b>	<b>18.7%</b>	<b>11.3%</b>	<b>17.9%</b>	<b>23.0%</b>	<b>25.1%</b>

<b>Number of calls answered within 30 seconds.</b>					
	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
Country Energy	68.2%	65.0%	66.7%	48.4%	47.2%
EnergyAustralia	52.5%	66.9%	46.4%	44.6%	81.3%
Integral Energy	57.0%	61.5%	58.0%	81.0%	89.0%
<b>Grand Total</b>	<b>58.8%</b>	<b>65.1%</b>	<b>56.7%</b>	<b>52.1%</b>	<b>65.8%</b>

<b>Number of connections provided after the agreed date</b>					
	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
Country Energy	124	103	59	40	57
EnergyAustralia	0	0	1	1	0
Integral Energy	1	72	8	5	4
<b>Grand Total</b>	<b>125</b>	<b>175</b>	<b>68</b>	<b>46</b>	<b>61</b>

<b>Value of compensation paid for not providing connection services by the agreed date</b>					
	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
Country Energy	\$9,360	\$13,020	\$6,900	\$3,720	\$7,800
EnergyAustralia	\$0	\$0	\$60	\$60	\$0
Integral Energy	\$0	\$4,320	\$480	\$300	\$240
<b>Grand Total</b>	<b>\$9,360</b>	<b>\$17,340</b>	<b>\$7,440</b>	<b>\$4,080</b>	<b>\$8,040</b>

<b>Number of planned interruptions to supply</b>					
	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
Country Energy	7,168	7,181	6,228	7,180	5,436
EnergyAustralia	967	1,128	1,325	1,437	1,615
Integral Energy	2,841	2,837	3,179	3,269	3,480
<b>Grand Total</b>	<b>10,976</b>	<b>11,146</b>	<b>10,732</b>	<b>11,886</b>	<b>10,531</b>

<b>Percentage of planned interruptions to supply where insufficient notice was given.</b>					
	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
Country Energy	1.3%	2.4%	2.8%	4.6%	6.8%
EnergyAustralia	0.4%	3.3%	3.9%	6.3%	4.8%
Integral Energy	0.2%	0.0%	0.0%	0.1%	4.4%
<b>Grand Total</b>	<b>0.9%</b>	<b>1.9%</b>	<b>2.1%</b>	<b>3.6%</b>	<b>5.7%</b>

<b>Percentage of planned interruptions that lasted longer than advised</b>					
	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
Country Energy	0.8%	0.8%	0.8%	1.4%	2.2%
EnergyAustralia	0.0%	0.0%	0.0%	0.0%	0.0%
Integral Energy	2.6%	2.8%	2.3%	3.0%	1.2%
<b>Grand Total</b>	<b>1.2%</b>	<b>1.2%</b>	<b>1.2%</b>	<b>1.7%</b>	<b>1.5%</b>

<b>Value of compensation paid for planned interruptions insufficient notice given</b>					
	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
Country Energy	\$7,940	\$9,180	\$8,195	\$20,615	\$30,315
EnergyAustralia	\$80	\$740	\$1,040	\$1,800	\$1,515
Integral Energy	\$77,420	\$3,280	\$3,760	\$3,260	\$3,940
<b>Grand Total</b>	<b>\$85,440</b>	<b>\$13,200</b>	<b>\$12,995</b>	<b>\$25,675</b>	<b>\$35,770</b>

<b>Total number of reported street light faults</b>					
	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
Country Energy	15,552	18,885	13,905	14,230	15,005
EnergyAustralia	33,325	31,013	25,921	25,121	23,179
Integral Energy	22,839	21,791	19,892	19,396	15,403
<b>Grand Total</b>	<b>71,716</b>	<b>71,689</b>	<b>59,718</b>	<b>58,747</b>	<b>53,587</b>

<b>Percentage of times where street light repairs were late</b>					
	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
Country Energy	1.0%	0.5%	0.8%	1.3%	1.0%
EnergyAustralia	2.5%	2.7%	4.1%	6.6%	6.0%
Integral Energy	11.2%	12.0%	8.5%	5.5%	0.9%
<b>Grand Total</b>	<b>4.9%</b>	<b>5.0%</b>	<b>4.8%</b>	<b>5.0%</b>	<b>3.2%</b>

<b>Average number of days to repair street lights</b>					
	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
Country Energy	3	4	8	9	8
EnergyAustralia	13	9	8	8	9
Integral Energy	2	3	2	2	2
<b>Average</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>6</b>

<b>Value of compensation paid for not completing street light repairs by agreed date</b>					
	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
Country Energy	\$2,340	\$1,470	\$1,830	\$2,835	\$2,355
EnergyAustralia	\$12,435	\$12,555	\$12,435	\$7,005	\$5,970
Integral Energy	\$8,985	\$2,160	\$285	\$90	\$225
<b>Grand Total</b>	<b>\$23,760</b>	<b>\$16,185</b>	<b>\$14,550</b>	<b>\$9,930</b>	<b>\$8,550</b>

<b>Percentage of complaints by small retail customers about network matters</b>					
	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
Country Energy	0.3%	0.3%	0.4%	0.3%	0.3%
EnergyAustralia	0.1%	0.0%	0.1%	0.1%	0.1%
Integral Energy	0.6%	0.5%	0.5%	0.4%	0.4%
<b>Grand Total</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.2%</b>

<b>Percentage of complaints from residential small retail customers</b>					
	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
Country Energy	95.5%	91.0%	93.0%	93.7%	93.7%
EnergyAustralia	80.0%	90.5%	83.5%	89.5%	68.2%
Integral Energy	99.5%	89.9%	88.1%	91.1%	92.0%
<b>Grand Total</b>	<b>94.8%</b>	<b>90.3%</b>	<b>89.3%</b>	<b>91.7%</b>	<b>88.3%</b>

<b>Percentage of complaints from non residential small retail customers</b>					
	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
Country Energy	4.5%	9.0%	7.0%	6.3%	6.3%
EnergyAustralia	20.0%	9.5%	16.5%	10.5%	10.6%
Integral Energy	0.5%	7.0%	11.9%	8.9%	8.0%
<b>Grand Total</b>	<b>5.2%</b>	<b>7.9%</b>	<b>10.7%</b>	<b>8.3%</b>	<b>7.9%</b>

**Electricity Distribution – 2005/06 Total Numbers (All Performance Indicators)**

	2001/02	2002/03	2003/04	2004/05	2005/06
Number of customers as at 30 June	2,968,817	3,016,815	3,068,941	3,115,376	3,150,976
Number of residential small retail customers	2,600,399	2,713,146	2,745,070	2,752,529	2,758,229
Number of non residential small retail customers	328,938	292,997	305,991	332,831	372,417
Total small retail customers	2,929,337	3,006,143	3,051,061	3,083,360	3,130,646
Number of calls made to this service	1,074,143	1,056,336	1,271,406	1,219,066	1,231,710
Number of calls abandoned or dropped out	200,408	118,875	227,473	280,247	309,496
Number of calls answered within 30 seconds	631,617	687,352	721,041	634,869	810,131
Number of connections provided by the DNSP	313,298	316,385	311,325	287,960	316,024
Number of connections provided after the agreed date	125	175	68	46	61
Total value of compensation paid for number of connections provided after the agreed date	9,360	17,340	7,440	4,080	8,040
Number of planned interruptions to supply	10,976	11,146	10,732	11,886	10,531
Number where insufficient notice was given	103	209	230	424	601
Number interrupted for longer than advised	134	135	125	200	162
Total value of compensation paid for timely notice of planned interruptions to supply	85,440	13,200	12,995	25,675	35,770
Total number of reported street light faults	71,716	71,689	59,718	58,747	53,587
Number of times where street light repairs were late	3,538	3,555	2,851	2,927	1,693
Average number of days to repair street lights	5	5	5	6	6
Total value of compensation paid for repair of faulty street lights	23,760	16,185	14,550	9,930	8,550
No. of complaints by small retail customers about network matters	8,304	6,589	8,112	6,331	7,382
Complaints from residential small retail customers	7,873	5,953	7,240	5,806	6,519
Complaints from non residential small retail customers	431	520	872	525	584



## APPENDIX 2 NOTES AND DEFINITIONS

### Customers

'Customer' means the person in whose name an electricity account is held under one supply contract.

'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.

### Disconnection due to non-payment of bills

Retailers must record each instance where a customer's supply is discontinued for failing to pay an amount due to the retailer, including discontinuing supply to vacant premises. For example, if a customer's supply has been discontinued twice in the reporting year, two supply discontinuances must be reported.

### Complaints

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

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