



PUBLICATION

2010/11 Annual Energy Distributor Performance Report

The Economic Regulation Authority today approved the publication of the [2010/11 Annual Performance Report - Energy Distributors \(Distributor Report\)](#). In previous years the Authority has published separate reports on the performance of electricity and gas distributors; the Distributor Report is the first to combine electricity and gas distributor performance reports into a single energy distributor performance report.

The purpose of the report is to bring transparency and accountability to the performance of electricity and gas distribution licensees who supply small use customers. The Distributor Report focuses on the performance data provided by energy distributors in relation to: establishing customer connections, network reliability, customer service and guaranteed service level payments. The report also examines the street light repair performance of electricity distributors and the performance of gas distributors in respect of leak repairs and unaccounted for gas.

The key findings in the report are detailed below.

Energy Distribution Market

The number of electricity distributors who supply small use customers (three) has remained unchanged since 2006/07. The three distributors (Horizon Power, Rottnest Island Authority and Western Power) each operate distribution systems in non-overlapping areas of the State. The number of gas distributors who supply small use customers (three) is also unchanged since 2006/07. Again, the three distributors (ATCO Gas Australia, Esperance Power Station and Wesfarmers Kleenheat Gas) operate distribution systems in non-overlapping areas of the State.

In 2010/11, the state-wide number of customer connections on electricity distribution systems increased by 2.5% (from 1.03 to 1.05 million connections). The South West Interconnected Network (**SWIN**)¹ operated by Western Power accounts for 96% of these connections.

The number of connections on the SWIN increased by 2.4% (from 985,000 to 1,008,525 connections), while connections in regional areas supplied by Horizon Power increased by 4.9% (from 41,143 to 43,181 connections).² The state-wide total number of new electricity connections fell by 4.6% (from 28,068 to 26,771 connections) compared to 2009/10. New connections on the SWIN fell by 6.4% (from 26,304 to 24,614), while new connections on the Horizon Power distribution systems increased by 22.6% (from 1,764 to 2,157). Western Power was the only distributor to provide new connections outside of the time specified in the Obligation to Connect Regulations.

¹ The South West Interconnected System (**SWIS**) is the entire energy system, including all generators covering the coastal area from Kalbarri to Bremer Bay and the Goldfields. The transmission and distribution system that supplies this area is known as the South West Interconnected Network (**SWIN**), which predominantly (but not completely) comprises of the infrastructure that Western Power owns and operates.

² Rottnest Island Authority operates a small distribution system on Rottnest Island. The size of this network has remained unchanged for the past two years.

The state-wide number of customer connections on gas distribution systems increased by 1.2% (from 629,589 to 637,427 connections). The ATCO distribution systems account for 99.82% of the state-wide total connections. Compared to 2009/10, the state-wide number of new distribution connections increased by 15.9% (from 16,977 to 19,679 connections), of which less than 0.1% were delivered on time.

Distribution System Reliability

Compared to 2009/10, the number of customers on the SWIN who experienced an extended supply interruption (>12 hours) fell by 51.6%. However, this is not unexpected due to a large increase in interruptions in 2009/10 which was due to a significant storm which affected the Perth metropolitan area in March 2010. In regional areas supplied by Horizon Power extended interruptions increased by 241% (from 334 to 1,138), compared to 2009/10, mostly due to the floods in Carnarvon and Cyclones Bianca and Carlos. The gas distributors reported that none of their customers experienced an extended interruption during 2010/11, the fourth consecutive year of zero interruptions.

Electricity distributors are required to report on the number of customers who experienced more than 9 supply interruptions in CBD & urban areas and 16 interruptions in the other areas of the State. Compared to 2009/10, the number of CBD & urban customers (supplied by Western Power) who experienced multiple interruptions fell by 46%. Multiple interruptions in the other areas of the State also fell, by 67.6% in areas supplied by Horizon Power and by 71.3% in areas supplied by Western Power.

The *Electricity Industry (Network Quality and Reliability of Supply) Code 2005 (NQ&R Code)* prescribes standards for the average total length of interruptions to customer premises (measured over a four year interval) for CBD, urban and other areas of the State. The standards apply to all interruptions, including those that are out of the reasonable control of the distributor. Over the past three years, Rottnest Island Authority is the only distributor to meet the standard for the other areas of the State. The total length of interruptions on the systems operated by Horizon Power and Western Power exceeded the relevant standard.

The measurement of interruptions under the 2002 SCORRR Framework³ (SAIDI, SAIFI and CAIDI)⁴ is a more realistic measure of distributor system reliability because they allow for the exclusion of interruption events that were caused by factors that are beyond the reasonable control of the distributor. Under the 2002 SCORRR Framework, the distributors report the total and normalised values of total interruptions. The normalisation process removes days where the duration of interruptions significantly exceed the long-run average performance of the network.

In 2010/11, Horizon Power was the only distributor to report an increase in Total Network SAIDI, up from 125 minutes in 2009/10 to 164 minutes in 2010/11. The increase was the result of large increase in SAIDI on their short rural feeders (<200km long), which are a large proportion of their total network feeder population. Both Rottnest Island Authority and Western Power reported reductions in Total Network SAIDI, by 19.8% (from 177 to 142 minutes) and 18.9% (from 217 to 176 minutes) respectively.

Complaints

Electricity distributors are required to report on two distinct complaints categories: technical quality of service (**QoS**) complaints under the NQ&R Code and customer service complaints

³ National regulatory reporting for electricity distribution and retailing businesses, Utility Regulators Forum, March 2002.

⁴ System Average Interruption Duration Index, System Average Interruption Frequency Index and Customer Average Interruption Duration Index.

under the Electricity Customer Code.⁵ Complaint reporting obligations for gas distributors are in the Gas Manual,⁶ which covers supply quality & reliability, customer service and network charges and costs.

Compared to 2009/10, the number of QoS complaints received by electricity distributors increased by 3.6% (from 2,112 to 2,187 complaints).⁷ Over the same period, both Horizon Power and Western Power reported falls in the total number of complaints received in relation to the Electricity Customer Code of 23% (from 178 to 137 complaints) and 36% (from 2,695 to 1,738 complaints) respectively. Electricity distributors reported that majority of these complaints were categorised as “other”, which covers a range of issues other than administrative and customer service complaints.

In 2010/11, ATCO was the only gas distributor to receive complaints, which were distributed over all of the available complaint categories. During the four years to 2010/11, the number of complaints received by gas distributors has varied between 30 and 39 per annum, which is much lower than the 4,000 complaints per annum received by electricity distributors.

Electricity distributors are also required to report on the proportion of complaints that they conclude within 15 working days. In 2010/11, Horizon Power and Western Power concluded 100% and 26% of complaints within 15 business days respectively. Western Power’s complaint conclusion performance has deteriorated significantly over the past two years.

Call Centre Performance

Compared to 2009/10, the total volume of calls to electricity distributor call centres fell by 9% (from 629,130 to 572,149 calls), due to reductions in call volumes to the Horizon Power and Western Power call centres. In 2010/11, the proportion of calls answered within 30 seconds varied between 68% (Western Power) and 97% (Rottnest Island Authority).

Compared to 2009/10, the total volume of calls to gas distributor call centres increased by 7% (from 213,212 to 228,155 calls), due to an increase in calls to the Wesfarmers call centre.⁸ Over the past three years, the proportion of calls answered within 30 seconds has averaged 89% for ATCO and 84% for Wesfarmers.

⁵ Code of Conduct for the Supply of Electricity to Small Use Customers.

⁶ Gas Compliance Report Manual, which is published by the Authority.

⁷ Horizon Power and Western Power were the only distributors to receive complaints in 2010/11. Rottnest Island Authority has not received any complaints under the NQ&R Code and the Electricity Customer Code during the five years to 2010/11.

⁸ The Wesfarmers call centre also handles calls for the other Kleenheat businesses that are not covered by the distribution licence.

A copy of the Distributor Report is available on the Authority's [website](#).

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