



PUBLICATION

2011/12 Annual Performance Report – Energy Distributors

The Economic Regulation Authority today approved the publication of the 2011/12 Annual Performance Report - Energy Distributors (**Energy Report**). The 2011/12 report continues the Authority's oversight of the performance of electricity and gas distributors supplying small use customers.¹

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 Energy Report focuses on the performance data provided by energy distributors in relation to: customer connections; network reliability; customer service; compensation payments; streetlight repairs (electricity only); gas consumption and gas leak repairs.

The key findings in the report are detailed below.

Customer Connections

Electricity

Compared to 2011, the state-wide total number of customer connections on electricity distribution systems increased by 0.8% (from 1.05 to 1.06 million connections). The South West Interconnected Network (**SWIN**)² operated by Western Power accounts for 95.6% of these connections.

The number of connections on the Western Power distribution system increased by 0.7%, while the number of connections in regional areas supplied by Horizon Power increased by 2.7%.

Compared to 2011, the state-wide total number of new connections established on electricity distribution systems fell by 13.3%. New connections on the Western Power network fell by 13% (from 24,614 to 21,420), while new connections on the Horizon Power distribution systems decreased by 17.5% (from 2,157 to 1,780). During 2012, Western Power further improved their on-time delivery of new connections to a six year high of 97.9%.

Gas

Compared to 2011, the state-wide total number of customer connections on gas distribution systems increased by 2.6% (from 637,427 to 654,024 connections). Connections on the ATCO³ distribution systems account for 99.83% of the state-wide total.

¹ Customers who consume less than 160MWh of electricity or 1TJ of gas per annum.

² 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 mostly (but not completely) comprises the infrastructure that Western Power owns and operates.

³ ATCO Gas Australia Pty Ltd

During 2012, the number of connections on the ATCO distribution systems increased by 2.6%, while the connections on the Esperance Power Station and Wesfarmers distribution systems increased by 4.5% and 11.8% respectively. Compared to 2011, the state-wide number of new distribution connections decreased by 32.8% (from 19,679 to 14,813 connections), of which less than 0.1% were not delivered on time.

Distribution System Reliability

Electricity

The number of customer premises on the Western Power system that experienced an extended interruption (>12 hours) increased by 230% (from 54,414 to 179,694) to reach the highest level on record,⁴ while the number of interrupted customer premises on the Horizon Power systems was also up by 64.8%, compared to 2011.

The number of customer premises experiencing multiple interruptions during 2012 was also up on the previous year. On the Western Power system there was a 94% increase in CBD and urban customer premises experiencing more than 9 interruptions, and a 159% increase in rural customer premises experiencing more than 16 interruptions during 2012. Horizon Power reported a 44% increase in rural customer premises experiencing more than 16 interruptions during 2012.

The average length of interruption to customer premises⁵ in the Perth CBD during 2012 fell significantly and, at 31 minutes total, almost met the 30 minutes per annum standard set in the NQ&R Code.⁶ However, in the urban areas supplied by Western Power the average length of interruption rose from 341 to 405 minutes, which exceeded the 160 minute standard in the NQ&R Code by 245 minutes. This was also the case for the rural areas supplied by Western Power, where the average length of interruptions increased from 777 to 947 minutes, which exceeded the 290 minute standard in the NQ&R Code by 657 minutes.

Western Power has cited storm events and bushfires as the primary contributors to the increases in the number of interruptions and average length of time that customers were off supply during 2012.⁷

The average length of interruption to customer premises in rural areas supplied by Horizon Power rose from 297 to 302 minutes, or 12 minutes over the NQ&R Code standard. Rottnest Island Authority was the only distributor to meet the 290 minute standard in 2012, despite the average length of interruptions increasing by 32% (from 171 to 226 minutes) since 2011.

The measurement of interruptions under the 2002 SCORRRR Framework⁸ (SAIDI, SAIFI and CAIDI)⁹ is a more realistic measure of distributor system reliability because it allows for the exclusion of interruption events caused by factors that are beyond the reasonable control

⁴ The increase in extended interruptions on the Western Power system (other times it is just Western Power 'system') was caused by the major storm event in June 2012 (Western Power Annual Reliability and Power Quality Report 2011/12).

⁵ The NQ&R Code measures the average length of interruption over a four year period.

⁶ *Electricity Industry (Network Quality & Reliability of Supply Code) 2005*.

⁷ Source: Western Power Annual Reliability and Power Quality Report 2011/12.

⁸ National regulatory reporting for electricity distribution and retailing businesses, Steering Committee on National Regulatory Reporting Requirements, Utility Regulators Forum, March 2002.

⁹ System Average Interruption Duration Index, System Average Interruption Frequency Index and Customer Average Interruption Duration Index.

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.

Comparing the normalised SAIDI on the Western Power system in 2011 and 2012 shows that the average customer minutes off supply on most parts of their system were almost unchanged, with the exception of the Perth CBD, where there was a significant improvement (from 30 to 16 minutes of interruption). Both Horizon Power and Rottnest Island Authority reported increases in the Total Network SAIDI between 2011 and 2012, up from 164 to 203 minutes and 142 to 226 minutes respectively.

Gas

2012 is the fifth consecutive year that gas distributors have reported that they did not have any customer supply interruptions longer than 12 hours, nor did any of their customers experience five or more supply interruptions during the reporting year.

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 under the Code of Conduct. Complaint reporting obligations for gas distributors are in the Gas Manual,¹⁰ which covers supply quality and reliability, customer service and network charges and costs.

Compared to 2011, the number of QoS complaints received by electricity distributors fell by 39% (from 2,187 to 1,330 complaints), due to a similar fall in the number of complaints received by Western Power.¹¹ The majority of the complaints were related to issues that did not fall into any of the seven defined categories followed by TV or radio interference complaints and low voltage complaints.

The number of complaints related to Code of Conduct matters received by Horizon Power in 2012 (137) was unchanged from the previous year, while Western Power reported a drop in received complaints (from 1,738 to 712) to reach a six year low. The majority of the complaints received by Horizon Power related to administrative and customer service issues, whereas almost all of Western Power's complaints related to other matters.

After three years of declining performance, 2012 saw Western Power report a substantial improvement (up from 26% to 65%) in the percentage of complaints that were resolved within the 15 business day benchmark of the Code of Conduct. Western Power's complaint resolution performance in 2012 equalled their previous best performance in 2009.

Horizon Power has resolved 100% of the complaints received within the 15 business day benchmark for the past five years.

¹⁰ The Authority's *Gas Compliance Reporting Manual*.

¹¹ 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 Code of Conduct during the six years to 2012.

Gas

In 2012, ATCO (36 complaints) and Wesfarmers (2 complaints) were the only distributors to receive complaints. The total number of complaints received by gas distributors in 2012 (38) is substantially lower than those received by electricity distributors (849).

Call Centre Performance

Electricity

Compared to 2012, the total volume of calls to electricity distributor call centres increased by 8% (from 572,149 to 619,981 calls), with across the board increases in the number of calls to all three distributors. Western Power's call centre performance improved in 2012, with the percentage of calls answered within 30 seconds reaching 75%, despite a large increase in the number of calls handled. For the third year in succession, Rottneest Island Authority had the best call answering performance with 95% of calls being answered within 30 seconds.

Gas

The volume of calls to gas distributor call centres were also higher in 2012 (251,104) than in 2011 (228,155); an increase of 10%. The volume of calls to the ATCO call centre was relatively unchanged, but calls to the Wesfarmers call centre increased by 12% (from 190,764 to 214,280); it should be noted that the Wesfarmers call centre also handles calls for other parts of the Wesfarmers Kleenheat Gas business.

Over the past three years, the proportion of calls answered within 30 seconds by the ATCO call centre has remained stable around the 88% mark. However, the performance of the Wesfarmers call centre has deteriorated over the same period, falling from 93% in 2010 to 66% in 2012. The decline in performance corresponds with the year-on-year increases in calls handled by the call centre.

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

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