

Service standards and incentives

This fact sheet provides an overview of the ways in which the Victorian electricity distributors – AGL, CitiPower, Powercor, SP AusNet and United Energy - will be held accountable for service performance outcomes during the five year period from 1 January 2006.

Reliability of supply

Reporting

- Reliability of supply concerns how often supply is interrupted for the customer, and for how long.
- The businesses will continue to report the average reliability experienced by customers, in respect of the duration and frequency of sustained interruptions and the frequency of momentary interruptions.
- The businesses will commence reporting on the minutes off supply experienced by the 15 per cent of customers experiencing the longest time off supply, and the causes of unplanned interruptions.
- The targeted levels of reliability to be reported against are generally a continuation of the current targets.
- Where the business has consistently outperformed the target over the 2001-04 period, the targeted level has been improved to reflect this improved performance.

Financial incentives

- Under the service incentive scheme, the businesses will be rewarded where reliability improves relative to current levels and penalised where reliability declines relative to current levels.
- Improvements in reliability will be paid for through this service incentive scheme once the reliability improvements are delivered.
- The incentives on the businesses to improve average reliability have been strengthened with an increase in the rewards and penalties that apply under this service incentive scheme.
- The rewards and penalties are based on the cost that poor service imposes on customers.
- The businesses will report feeders whose reliability is poorer than a defined threshold, or whose quality of supply does not meet the required standards, with the business's plans for those feeders.
- The changes to the GSL payments scheme, which entitles customers experiencing poor reliability to a payment from the business, are described in Fact Sheet 3.

Targeted levels of reliability – unplanned interruptions, 2006-10

		Mins off supply	Number
CBD	CitiPower	14	0.25
Urban	AGLE	73	1.27
	CitiPower	35	0.80
	Powercor	98	1.63
	SP AusNet	109	1.82
	United Energy	59	1.06
Rural - short	AGLE	113	2.25
	Powercor	118	1.80
	SP AusNet	185	2.73
	United Energy	96	2.03
Rural – long	Powercor	297	3.30
	SP AusNet	300	
			4.28

Quality of supply

- Quality of supply is concerned with the characteristics of the electricity supply delivered to customers' premises, specifically whether there are short term or transient voltage increases (voltage surges) or reductions (voltage sags) and harmonic distortions.
- The businesses have been installing voltage monitoring equipment during the 2001-04 period which has identified that the businesses are not compliant with the required quality of supply standards in some areas, particularly in rural areas.
- The rural businesses will install additional voltage monitoring equipment to improve the proactive identification of areas where the quality of supply is non compliant with the required standards.
- Businesses will continue to report on a range of quality of supply measures.
- Additionally the businesses will provide a breakdown of voltage variations at the zone substation and feeder level, and a breakdown of 10 second voltage variations based on the minimum voltage during that variation.
- \$44 million of capital expenditure will be spent to improve the quality of supply for 59,000 customers in Powercor's area, 82,000 customers in SP AusNet's area, and customers connected to five substations in United Energy's area, plus a further 2,000 customers in United Energy's area.
- Residential and small business customers will continue to be entitled to compensation, on a like for like basis, for damage due to voltage variation (surges and brown outs).

Customer service

- Customer service relates to the meeting of customer requirements such as responding to queries, providing information and meeting timelines.
- Businesses will continue to report on a range of existing customer service measures and a number of new metering-related measures.
- Additionally, businesses will report against targeted levels on the proportion of calls to their fault lines answered within 30 seconds and the number of overload events.
- Call centre performance will be included in the service incentive mechanism so that the businesses will be rewarded where their performance improves and penalised where their performance declines.

Targeted level – calls responded to within 30 seconds, 2006-10

AGLE	75%	SP AusNet	70%
CitiPower	80%	United Energy	72%
Powercor	81%		

