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NORTHERN TERRITORY ELECTRICITY **STANDARDS OF SERVICE CODE**

The Commission has published a Code with effect from 1 January 2006.

This follows the Commission's consideration of submissions received in response to the August 2005 Draft Code.

The Code applies only to the Power and Water Corporation for the foreseeable future.

The objectives of the Code are to:

- establish minimum standards of reliability, quality and customer service in the NT electricity supply industry;
- develop, monitor and enforce compliance with and promote improvement in standards and conditions of service and supply by Power and Water; and
- require that Power and Water has in place arrangements which regularly report actual service performance against the key service performance indicators in terms of reliability, quality and customer service.

The Code first establishes a process by which Power and Water is to set certain minimum standards of service benchmarks.

Specifically, with regard to both its regulated network services and its non-contestable electricity supply services, Power and Water must submit to the Commission (for approval):

- by 31 March 2006, its proposed minimum reliability standards; and
- by 30 June 2006, its proposed minimum quality standards and customer service standards.

The Code also requires the reporting of actual standards of service against each of the benchmarks, commencing after the end of each financial year from 2005-06.

Specifically, by no later than 31 October 2006, Power and Water must report to the Commission as to the actual standards achieved in the 2005-06 with respect to each of the following key service performance indicators:

- the following system-wide reliability indicators, distinguishing between interruptions caused by network failure and generation load-shedding:
 - (a) the average minutes of off-supply per customer;
 - (b) the average number of interruptions per customer; and
 - (c) the average interruption duration per customer;
- the following poorly-performing feeder reliability indicators:
 - (a) the number of feeders that experience more than a certain number of interruptions per year;
 - (b) the number of feeders that experience more than a certain number of minutes of interruptions per year; and
 - (b) the percentage of consumers supplied by such feeders;

- the following quality standards indicators:
 - (a) the number of complaints received in relation to voltage events such as voltage dips, swells, spikes, etc; and
- the following customer service indicators:
 - (a) the percentage of new connections not provided within the required time limit;
 - (b) the number and percentage of telephone calls responded to within 20 seconds from when the customer selects to speak to a human operator; and
 - (c) the number of customer complaints.

Power and Water is expected to report the key indicators separately for:

- the following regions: Darwin, Katherine, Tennant Creek, Alice Springs, and other;
- the following feeder categories: urban, and rural;
- the following customer categories: residential customers, and commercial/industrial customers; and
- each quarter and on a quarterly 12 month rolling average basis.

Once Power and Water has reported to the Commission on actual standards of service attained during the 2005-06 financial year, the Commission will publish a compliance report. The Commission expects its annual compliance report to play an important role in facilitating customers, media and other stakeholders in critically assessing and making a judgment on the level of performance by Power and Water compared to the minimum standards of service benchmarks as well as similar service providers elsewhere in Australia. It will also play a role in facilitating informed discussion between consumers and Power and Water on local or generalised standards of service improvements.

The Code does not at this stage include any incentive or penalty mechanisms, such as:

- price control adjustments in response to service performance; or
- customer compensation (or guaranteed service level) schemes.

The scope for such mechanisms is more appropriately considered in the context of the next network's regulatory reset, due to take effect from July 2009. Decisions on these matters at this later time will also be better informed by the reporting now required under the Code.

Alan Tregilgas
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(for the Utilities Commission)
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