

31 March 2017

Mr Justin Martyn
Director
Utilities Commission
GPO Box 915 Darwin NT 0801

Dear Mr Martyn,

RE: Utilities Commission Review of Northern Territory Electricity Codes

Jacana Energy refers to your letter dated 3 March 2017 seeking submissions to the Utilities Commission (Commission) review of the Electricity Service Standards (ESS) and Guaranteed Service Level (GSL) Codes. Jacana Energy is pleased to provide a submission to this review.

In summary, while Jacana Energy considers the ESS and GSL Codes are broadly appropriate, we propose a number of small changes to improve the consistency with the reporting frameworks operating in the national electricity market.

Electricity Service Standards Code

The Electricity Service Standards (ESS) Code requires Jacana Energy to report on performance measures in four key areas: answering the phone; handling complaints; customer hardship; and responsiveness in relation to written inquiries.

While the balance of reporting requirements under the ESS Code is broadly appropriate, there is one indicator that we consider needs review – 'responsiveness to written inquiries'. Arguably, the time taken to respond to inquiries is not a sound indicator of the quality of service.

For example, many retailers in energy and other industry sectors, such as financial services, have implemented automated responses to initial written inquiries that provide little indication of whether an issue or inquiry raised by a customer is subsequently resolved to the customer's satisfaction. We recommend therefore that it is removed from the ESS Code.

Jacana Energy considers it important that reporting requirements and obligations are consistently applied to electricity retailers. In this regard, we note that Jacana Energy is the only electricity retailer operating in the Northern Territory who is required to have a hardship program in place. This differs to the NECF, where all retailers have such an obligation. We consider the same should apply in the Northern Territory, although we recognise it is beyond scope of the current consultation.

Guaranteed Service Levels Code

The GSL Code establishes minimum service levels PWC must meet for the quality and reliability of network services it provides customers and includes payments to individual customers if these service levels are not achieved.

Guaranteed service levels apply to the frequency and duration of customer outages as well as other aspects of the services received by individual small customers, including the timeliness of connections, reconnections and notices of planned interruptions. Similar GSL schemes apply in every state and territory and a national scheme has been developed by the Australian Energy Regulator (AER).² Most jurisdictions have implemented a scheme similar to the AER scheme with some variations.

In Attachment A we have included a table comparing the AER's national GSL scheme against the GSL Code. We note that while the AER GSL scheme and GSL Code are broadly consistent, there are two differences to which we would like to draw the Commission's attention.

First, under the AER GSL Code prior notice of a planned interruption must be at least 4 business days. If the notice period provided is shorter than 4 days a GSL payment applies. In contrast under the GSL Code only two days' notice of a planned interruption is required before a payment applies. We note that this is inconsistent with the Network Access Coordination Agreement, which requires PWC to provide 4 business days' notice of planned interruptions to customers.

Second, the frequency of interruptions allowed before compensation applies under the GSL Code is 12 days as compared to 9 days under the national scheme.

In each case the performance measure in the GSL Code is weaker than the equivalent measure under the national scheme. Jacana Energy considers these GSL Code measures should be strengthened in line with the national scheme.

One benefit of achieving greater alignment with the national scheme is that it would allow the performance of PWC to be benchmarked against other network businesses, strengthening incentives for good performance.

If you have any questions please do not hesitate to contact Con Van Kemenade on 0439399943 or myself.

Yours sincerely,



William Oliver

General Counsel & Company Secretary
Jacana Energy

² AER, "Electricity distribution network service providers, Service Target Performance Incentive Scheme 2009", available on AER website

Attachment A

Measure	AER GSL scheme	NT GSL Scheme
Annual Duration of Unplanned interruptions	<ul style="list-style-type: none"> Level 1 – more than 20 hours (\$100) Level 2 – more than 30 hours (\$150) Level 3 – more than 60 hours (\$300) 	<ul style="list-style-type: none"> More than 20 hours of interruptions in a financial year (\$125)
Duration of Interruption	<ul style="list-style-type: none"> CBD and urban feeders – more than 12 hours (\$80) Rural feeders – more than 18 hours (\$80) 	<ul style="list-style-type: none"> More than 12 hours (\$80) and less than 20 hours More than 20 hours (\$125)
Annual frequency of unplanned sustained interruptions	<ul style="list-style-type: none"> CBD and urban feeders – more than 9 interruptions (\$80) Rural feeders – more than 15 interruptions (\$80) 	<ul style="list-style-type: none"> CBD feeders or urban feeders: more than 12 interruptions in a financial year (\$80). Rural short feeders or rural long feeders: more than 16 interruptions in a financial year (\$80).
Notice of planned interruptions	<ul style="list-style-type: none"> Not 4 business days before planned interruption (\$50) 	<ul style="list-style-type: none"> At least 2 business days' notice prior planned interruption (\$50)
On time for appointments	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> In a CBD area or an urban area, within 30 minutes of the time agreed with the small customer. In a Rural area, within 1 hour of the time agreed with the small customer.
New connections	<ul style="list-style-type: none"> Not by the date agreed (\$50 per day to a maximum of \$300) 	<ul style="list-style-type: none"> New connection of a premises in a CBD area (within 5 days of valid electrical certificate or as agreed), Urban area or rural area within 10 days of electrical certificate or as agreed with customer In each case \$50 per day to a maximum of 300

Public light repair	<ul style="list-style-type: none"> • Not within 5 business days of notification (\$25) 	<ul style="list-style-type: none"> • Not applicable
Response to written enquiry	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Within 10 business days of receipt by the network provider of a written enquiry from a small customer.