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

Dear Mr Martyn

Draft Electricity Industry Performance Code (Electricity Standards of Service and Guaranteed Service Levels)

Thank you for the opportunity to comment on the proposed amalgamation of the existing Electricity Standards of Service ("ESS") and Guaranteed Service Level ("GSL") codes into the Electricity Industry Performance Code. Power and Water Corporation ("PWC") provides the following comments:

3.2 Varying the Target Standards

- PWC requests the inclusion of a provision that allows flexibility around the timeframe set out in Clause 3.2.4 where relevant data is expected to take longer than 10 business days to collate.

4.1 Guaranteed Service Level Scheme

- The proposed introduction of a 45 day time limit on the determination of GSL payments in Clause 4.1.5 raises a number of concerns for PWC. In most instances this will not cause any issues, however for outage related payments, PWC is not the sole party in determining the cause. This determination is required prior to the decision on whether a GSL payment should be made and can take longer than 45 days. PWC requests this be amended to 45 business days to allow sufficient time for the determination and PWC processes.
- PWC requests Clause 4.1.8 be amended to ensure that retailers cannot opt-out of administering GSL payments to end use customers. This is the most efficient means of payment, as the retailer is already undertaking regular financial transactions with customers. This option results in a reduction in end use customers' retail bills rather than providing individual financial payments to customers, which would generate a significant administrative burden on PWC.

4.5 GSL Complaints

- PWC notes that the Code does not incorporate a provision for complaints against any retail entity.

5.1 Obligations to Report Actual Performance

- PWC queries the benefit of the additional requirement to submit a draft report as outlined in Clause 5.1.2. It is anticipated that the quality of the data available at the time of submitting the draft report may be low and the report outlining PWC's explanation of the movements

will unlikely be available. Consequently PWC is concerned that this may result in additional resource requirements for both the Commission and PWC in explaining variances and movements from year to year; and from draft to final. PWC suggests removing the requirement for a draft report.

5.4 IEEE beta 2.5 Events

- PWC requests amending Clause 5.4.1 to notify the Commission in writing within 45 business days of an event occurring. This will enable PWC sufficient time to determine whether an event meets the beta 2.5 criteria, as well as time enough to gather and consolidate findings on said event including responsibility for any failure. Potentially, PWC could provide the UC with preliminary advice where it is expected that an event may meet the beta 2.5 event criteria, which could be used in conjunction with our findings after the fact.

Schedule A - Guaranteed Service Level Scheme - 1.1.1(a) Performance Indicators

- PWC notes in relation to changing the timeframe for establishing a connection from 10 business days to 5 in rural areas, that this will result in additional operational costs or the reallocation of resources. A shortened timeframe for rural customers may potentially cause delay for some urban customers with crews being redirected.

Schedule C - 3.8 Guaranteed Service Level Performance Indicators

- PWC notes that any future reviews of its obligations under this Code should be coordinated alongside the Australian Energy Regulator's ("AER") distribution determination process, so that PWC may plan and incorporate any associated cost into our Regulatory Proposal. This will ensure true costs are captured and will allow PWC to continue maintaining a strong focus on the best commercial outcomes for our end customers.
- PWC requests that the implementation timeframes of the Code be simplified to a 1 July 2018 commencement across all obligations to ensure simplicity of reporting and payment with a full financial year under each methodology. Should the Commission wish to view and publish GSL data prior to this date (actual or forecast), namely 2016-2017 and 2017-2018, PWC is willing to provide if so required.

General

PWC notes there is an automatic referencing error requiring updating throughout, in particular Clauses 4.1.3, 5.2.1(b), 7.1.1, and 7.2.2.

PWC thanks the Commission for the opportunity to provide comment prior to finalisation of the Electricity Industry Performance Code.

Should the Commission wish to discuss the content contained herein, PWC would invite the Commission to contact Jodi Triggs, Senior Manager Network Regulation on (08) 8985 8456, or by email at Jodi.Triggs@powerwater.com.au.

Yours sincerely



Djuna Pollard

Executive General Manager, Power Networks

23 August 2017