

Alcan Gove Pty Ltd (Alcan Gove) holds a section 87 [exemption](#) under the [Electricity Reform Act 2000](#), which allows it to operate in the Territory's electricity supply industry, including the operation of an electricity network in the township of Nhulunbuy. Alcan Gove's exemption was varied by the Utilities Commission on 4 August 2020 to include, among other changes, [guaranteed service levels](#) under the [Electricity Industry Performance Code](#), which are shown in Table 1.

[Guaranteed service levels](#) provide payments to eligible customers when performance does not meet the defined standard of service. Guaranteed service level payments are not intended to be compensation, but rather a recognition of poor service. Guaranteed service levels provide an incentive for a network provider to improve service to its worst served customers.

Alcan Gove is required to report to the Commission on its [guaranteed service level](#) performance by 31 October each year, for the preceding financial year. The Commission published the first [Township of Nhulunbuy Guaranteed Service Level Report](#) on 28 February 2022.

The Commission previously noted that a shortened reporting period in 2020-21 (6 December 2020 - 30 June 2021), due to the need to implement systems to capture relevant data, may have assisted Alcan Gove in achieving a level of performance in 2020-21 that resulted in no [guaranteed service level](#) payments. Unlike 2020-21, Alcan Gove's reporting in 2021-22 relates to the entire reporting period. Due to the shortened reporting period in 2020-21, comparisons across the reporting periods do not provide an accurate representation of performance trends.

## Performance

Alcan Gove was required to make 98 [guaranteed service level](#) payments to customers in 2021-22, with a total amount payable of \$5,051, comprising of:

- \$3,440 paid to 56 customers experiencing more than 12 interruptions to their electricity supply during the financial year
- \$1,572 paid to 41 customers which were not provided the required two business days' notice of a planned interruption. This was a single event
- \$38 paid to one customer that was not reconnected within 24 hours of receipt by the network entity of a valid request for re-connection.

These [guaranteed service level](#) payments, alongside the full list of guaranteed service levels for 2020-21 and 2021-22 are shown in Table 1.

Table 1: Alcan Gove guaranteed service level performance in the township of Nhulunbuy, 2020-21 and 2021-22

Guaranteed service levels	2020-21 <sup>1</sup>		2021-22	
	Customers impacted	Total payment (\$) <sup>2</sup>	Customers impacted	Total payment (\$) <sup>2</sup>
<b>Duration of a single interruption:</b>				
More than 12 hours and less than 20 hours	0	0	0	0
More than 20 hours	0	0	0	0
<b>Frequency of interruptions:</b>				
More than 12 interruptions in a financial year	0	0	56	3,440
<b>Cumulative duration of interruptions:</b>				
More than 40 hours of interruptions in a financial year	0	0	0	0
<b>Time for establishing a connection:</b>				
Re-connection of an existing premises – within 24 hours of receipt by the network entity of a valid request for re-connection from the small customer	0	0	1	38
New connection of a customer’s premises (excluding connections requiring network extension or augmentation) – within 5 business days of receipt by the network entity of a valid electrical certificate of compliance from the small customer, or as otherwise agreed with the customer	0	0	0	0
<b>Time for giving notice of planned interruptions:</b>				
At least 2 business days’ notice prior to the commencement of the day upon which the planned interruption will occur	0	0	41	1,572
<b>Keeping appointments:</b>				
Within 30 minutes of the time agreed with the small customer	0	0	0	0
<b>Total guaranteed service level payments:</b>	0	0	98	5,051

<sup>1</sup> Shortened reporting period of 6 December 2020 - 30 June 2021.

<sup>2</sup> Guaranteed service level total payments are rounded to nearest dollar.

The Commission notes that, under the [Electricity Industry Performance Code](#), Alcan Gove is permitted to exclude certain non-network performance-related outages (or events) from its [guaranteed service level](#) payment obligations and reporting. Alcan Gove excluded six events from its 2021-22 guaranteed service level payment obligations and reporting, which were related to generation and the operation of protection systems.

Accordingly, interruptions to customers’ electricity supply included under Alcan Gove’s [guaranteed service level](#) reporting, as shown in Table 1, do not reflect all interruptions experienced by customers over the last two years. The Commission considers that when compared with other Territory power systems, overall power system performance in Nhulunbuy was poor during 2021-22, with a long duration and high frequency of customer interruptions in Nhulunbuy over the financial year.