

**NORTHERN TERRITORY  
DRAFT  
ELECTRICITY  
STANDARDS OF SERVICE CODE**

**AUGUST 2005**

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ELECTRICITY STANDARDS OF SERVICE CODE**

*This Standards of Service Code is published by the Utilities Commission of the Northern Territory pursuant to section 24 of the Utilities Commission Act 2000 and is to take effect from 1 January 2006.*

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**Northern Territory Electricity Standards of Service Code**

**1. Authority**

- (a) This **Code** is made by the **Commission** under section 24 of the **Act** and in accordance with the authority granted to the **Commission** by:
- (i) section 92(1) of the *Electricity Reform Act 2000*, and
  - (ii) clauses 9A and 68(b) of the **Network Access Code**.
- (b) In making this **Code**, the **Commission** has had regard to the matters listed in section 6(2) of the **Act**.

**2. Application**

This **Code** will apply to all **Regulated Electricity Entities** in the Northern Territory as and from the **Commencement Date**.

**3. Objectives**

The objectives of this **Code** are to:

- (a) establish minimum standards of reliability, quality and customer service in the **Electricity Supply Industry**; and
- (b) require that **Regulated Electricity Entities** have in place arrangements which regularly report actual performance against these minimum standards of reliability, quality and customer service.

**4. Standards of Service Minimum Obligations**

A **Regulated Electricity Entity** in the Northern Territory must:

- (a) establish and maintain **Network Access Services** that are –
  - (i) at least equivalent to the levels prevailing during the year before the commencement of the **Network Access Code**; and
  - (ii) take into account standards imposed on the **Regulated Electricity Entity** by any regulatory regime administered by the **Commission**;
- (b) establish and maintain **Non-Contestable Electricity Supply Services** that are –
  - (i) at least equivalent to the actual levels of service and safety for those customers prevailing during the year before the commencement of the *Electricity Reform Act 2000*; and

- (ii) take into account relevant national benchmarks developed from time to time.

## 5. Establishing Minimum Standards

In this clause 5 unless the context otherwise requires, a reference to “**Minimum Standards**” includes in each case the standards applying to **Reliability Standards**, **Quality Standards** and **Customer Service Standards**.

### 5.1 A **Regulated Electricity Entity** must within:

- (a) 3 months (in the case of **Reliability Standards**); and
- (b) 6 months (in the case of the **Quality Standards** and **Customer Service Standards**)

of the **Commencement Date** submit to the **Commission** for approval final draft **Minimum Standards** developed in accordance with clause 5.3.

### 5.2 The final draft **Minimum Standards** submitted by a **Regulated Electricity Entity** under clause 5.2 must be:

- (a) designed to ensure compliance with the **Regulated Electricity Entity’s** obligations under clause 4;
- (b) otherwise consistent with the general principles set out in Schedules 1 and 2 to this **Code** for each type of **Minimum Standard**; and
- (c) developed in conjunction with the **Commission** so as to ensure that the final draft **Minimum Standards** when submitted can be approved by the **Commission** without the need for substantial amendments.

### 5.3 In considering whether to approve any draft **Minimum Standards** submitted by a **Regulated Electricity Entity** under clause 5.2, the **Commission** will have regard to (among other things):

- (a) the matters set out in section 6(2) of the **Act**; and
- (b) whether the draft **Minimum Standards** give effect to the principles set out in Schedules 1 and 2 to this **Code** for that type of **Minimum Standard**.

### 5.4 The **Commission** may grant its approval of the draft **Minimum Standards** submitted by a **Regulated Electricity Entity** under clause 5.2 subject to such conditions as the **Commission** considers are appropriate in the circumstances including conditions requiring that:

- (a) specific amendments be made to the draft **Minimum Standards** submitted by the **Regulated Electricity Entity**;
- (b) the **Minimum Standards** are approved for a fixed term;

- (c) the **Minimum Standards** be reviewed at regular intervals by the **Commission** and the **Regulated Electricity Entity**;
  - (d) the **Minimum Standards** must be resubmitted for approval following any change to the **Code** affecting the **Minimum Standards** or when otherwise requested by the **Commission**; and
  - (e) the **Regulated Electricity Entity** report to the **Commission** concerning the implementation, application and/or compliance with the **Minimum Standards** when requested by the **Commission**.
- 5.5 A **Regulated Electricity Entity** must comply with any **Minimum Standards** approved by the **Commission** from time to time under clause 5.2 and any conditions attaching to the **Commission's** approval of those **Minimum Standards**.
- 5.6 If a **Regulated Electricity Entity**:
- (a) fails to submit any of the draft **Minimum Standards** to the **Commission** within the time period specified in clause 5.2 for the submission of that type of **Minimum Standards**; or
  - (b) submits draft **Minimum Standards** to the **Commission** which require substantial amendment before they can be approved by the **Commission**,
- the **Commission** may issue its own **Minimum Standards** which will be deemed for the purposes of this **Code** to be the **Minimum Standards** applying to that **Regulated Electricity Entity** until such time as appropriate draft **Minimum Standards** are submitted to the **Commission** and approved.
- 5.7 Until such time as **Minimum Standards** are approved or issued by the **Commission** under this clause 5, a **Regulated Electricity Entity** must comply with the principles set out in Schedules 1 and 2 to this **Code** for that type of **Minimum Standards** as if those principles were the **Minimum Standards**.
- 6. Adding to or Varying Any Approved Minimum Standards**
- 6.1 A **Regulated Electricity Entity** or the NT Government on behalf of non-contestable customers may at any time apply to the **Commission** to approve a proposed variation to any **Minimum Standards**.
- 6.2 An application to vary existing **Minimum Standards** must be dealt with by the **Commission** in accordance with the procedures set out in this clause 6 as well as to those applying to an application to approve the initial **Minimum Standards**.
- 6.3 In deciding whether to approve a proposed variation to any **Minimum Standards**, the **Commission** will have regard to:
- (a) the matters listed in section 6(2) of the **Act**;

- (b) whether the proposed variation to any **Minimum Standards** gives effect to the principles set out in Schedules 1 and 2 to this **Code** for that type of **Minimum Standard**; and
- (c) in the case of a variation to the **Code** which imposes an effective increase in the minimum standard above levels generally prevailing before commencement of the **Act**, the general principle that, where the increase in the minimum standard imposes an additional cost on the **Regulated Electricity Entity**, increases in standards of service must be funded by a commensurate increase in the price paid by consumers.

6.4 Before varying any **Minimum Standards** under this clause 6, the **Commission** will consult with the **Regulated Electricity Entity** in accordance with the procedure set out in clause 8 and otherwise comply with the other requirements of the **Act** and clause 8.

6.5 The final decision issued by the **Commission** on an application to vary any existing **Minimum Standards** must specify any conditions attaching to the **Commission's** approval of the proposed variation to the existing **Minimum Standards**.

6.6 The **Regulated Electricity Entity** must implement any **Minimum Standards** within 30 days after the date upon which they are approved by the **Commission**.

## 7. Adding to or Amending this Code

7.1 The **Commission** may at any time vary or revoke this **Code** (or any part of this **Code**) in accordance with section 24 of the **Act**.

7.2 A **Regulated Electricity Entity** may request that the **Commission** vary or revoke any part of this **Code**.

7.3 Unless the **Commission** considers that the application has been made on trivial or vexatious grounds (in which case the **Commission** may reject the application without further notice) an application to vary or revoke any part of this **Code** must be dealt with by the **Commission** in accordance with the procedure set out in this clause 7.

7.4 In deciding whether to vary or revoke this **Code** (or any part of this **Code**) under clauses 7.1 or 7.2, or impose any additional or varied obligation on an **Regulated Electricity Entity** under clause 7.3, the **Commission** will have regard to:

- (a) the matters listed in section 6(2) of the **Act**; and
- (b) in the case of a variation to the **Code** which imposes an additional or varied obligation on a particular **Regulated Electricity Entity** other than an effective increase in the minimum standard above levels generally prevailing before commencement of the **Act**, the general principle that the administrative cost to that **Regulated Electricity Entity** of complying with the additional or varied obligation should not, or should not be likely to in the opinion of

the **Commission**, outweigh the benefits to the public from compliance with that additional or varied obligation.

- 7.5 Before varying or revoking this **Code**, or imposing any additional or varied obligation on a **Regulated Electricity Entity**, under this clause 7, the **Commission** will consult with the **Regulated Electricity Entity** in accordance with the procedure set out in clause 8 and otherwise comply with the other requirements of the **Act** and clause 8.
- 7.6 A **Regulated Electricity Entity** must comply with any additional or varied obligation imposed upon that **Regulated Electricity Entity** under this clause 7 as and from the date upon which that obligation takes effect under section 24 of the **Act**.
- 7.7 A notice in relation to a variation or revocation will have effect 30 days after the notice is given to the relevant **Regulated Electricity Entity** and published in the *Gazette* (or such later date as the **Commission** specifies in the notice).

## **8. Procedures for Adding To or Amending Standards of Service Obligations**

- 8.1 The **Commission** must, before varying any **Minimum Standards** or varying or revoking this **Code** (or any part of this **Code**), inform each person known to the **Commission** (whom the **Commission** believes has a sufficient interest in the matter) that the **Commission** is considering varying any **Minimum Standards** or varying or revoking this **Code** (or any part of this **Code**) by publishing a written notice which at least:
- (a) states the nature of the proposed additional or varied obligation, variation or revocation; and
  - (b) requests submissions by a date specified in the notice (not being a date earlier than 30 days after the date of the notice).
- 8.2 The **Commission** will also give a copy of any notice published in accordance with this clause 8 to the **Regulated Electricity Entity** to which the notice relates.
- 8.3 The **Commission** must consider any submissions received by the date specified in the notice published under clause 8.1(b) and may (but is not obliged to) consider any submissions received after that date.
- 8.4 Within 30 days (or such longer period as the **Commission** notifies) after the last day for submissions specified in the notice published under clause 8.1(b), the **Commission** must issue a draft decision stating whether or not it intends to proceed with the proposed variation, revocation or additional or varied obligation.
- 8.5 The **Commission** must:
- (a) provide a copy of its draft decision to the relevant **Regulated Electricity Entity**, any person who made a submission on the matter and any other person who requests a copy; and

(b) request submissions from persons to whom it provided the draft decision by a specified date (not being a date earlier than 30 days after the date the draft decision was issued).

8.6 The **Commission** must consider any submissions it receives by the date specified by the **Commission** under clause 8.5(b) and it may (but is not obliged to) consider any submissions received after that date.

8.7 Within 30 days (or such longer period as the **Commission** notifies) after the last day for submissions on the draft decision specified by the **Commission**, the **Commission** must issue a final decision stating:

(a) whether or not it will proceed with the proposed additional or varied obligation, variation or revocation; and

(b) the final form of that proposed additional or varied obligation, variation or revocation.

## 9. Compliance Procedures and Compliance Reporting

9.1 A **Regulated Electricity Entity** must as soon as is practicable after the end of each financial year concluding after the **Commencement Date** (and no later than 4 months after that date) report to the **Commission** as to the actual standards achieved in that year relative to the **Minimum Standards**.

9.2 No later than 6 months after the end of each financial year concluding after the **Commencement Date**, the information provided to the **Commission** by the **Regulated Electricity Entity** in accordance with clause 9.1, along with the **Commission's** assessment of compliance, will be made publicly available by the **Commission** subject to the **Commission** first complying with its obligations under section 26 of the **Act**.

9.3 The **Commission** may, upon reasonable notice to a **Regulated Electricity Entity**, appoint an independent auditor to undertake an audit of the **Regulated Electricity Entity's** compliance with any of its obligations under this **Code**.

9.4 If the **Commission** nominates standards or requirements to apply to an audit under clause 9.3, the auditor will report in accordance with those standards or requirements.

9.5 The **Commission** will provide a copy of the auditor's report to the **Regulated Electricity Entity** as soon as reasonably possible after it has been received from the auditor.

9.6 The **Regulated Electricity Entity** will be responsible to pay the costs of undertaking that audit if the auditor discovers any failure by the **Regulated Electricity Entity** to comply with a material obligation under this **Code**.

9.7 A **Regulated Electricity Entity** must report any breach of its obligations under this **Code** to the **Commission** as soon as reasonably possible after

becoming aware that the breach has occurred and advise of the remedial action that is being undertaken to rectify the breach.

## 10. Preservation of Other Obligations

Nothing in this **Code** will derogate from any obligation imposed upon a **Regulated Electricity Entity** under the **Act**, the *Electricity Reform Act 2000*, the *Electricity Networks (Third Party Access) Act 2000* (and the associated **Network Access Code**), any regulation made under those Acts, any condition of a licence issued to the **Regulated Electricity Entity** or any other code made by the **Commission** under the **Act**.

## 11. Interpretation

11.1 In this **Code**, words appearing like **this** will have the meaning set out in clause 11.2.

11.2 In this **Code**, unless the contrary intention appears:

“**Act**” means the *Utilities Commission Act 2000*;

“**Code**” means this Standards of Service Code;

“**Commencement Date**” means the date set out in the notice published in the *Gazette* making this **Code** from which this **Code** will take effect;

“**Commission**” means the Utilities Commission of the Northern Territory established by the *Utilities Commission Act 2000*;

“**Customer Service Standards**” means standards relating to the **Regulated Electricity Entity’s** responsiveness and dependability regarding customer requests and complaints;

“**Electricity Supply Industry**” means the industry involved in the generation, supply and sale of electricity or other operations of a kind prescribed by the *Electricity Reform (Administration) Regulations*;

“**Minimum Standards**” means the minimum standards of reliability, quality and customer service applying under this **Code** to the provision of nominated services;

“**Network Access Code**” means the *Electricity Networks (Third Party Access) Code*, which is a schedule to the *Electricity Networks (Third Party Access) Act 2000*;

“**Network Access Service**” means the services provided by a **Regulated Electricity Entity** with a network licence that are subject to regulation under the **Network Access Code**;

“**Non-Contestable Customer**” means a person who is not classified by the *Electricity Reform (Administration) Regulations* as a contestable customer;

“**Non-Contestable Electricity Supply Service**” means the services provided by a **Regulated Electricity Entity** with a retail licence to **Non-Contestable Customers** and which includes a **Network Access Service**;

“**Quality Standards**” means standards relating to the ability of the **Regulated Electricity Entity** to maintain supply in terms of voltage levels, frequency, harmonic content and the like;

“**Regulated Electricity Entity**” means, at the **Commencement Date**, the Power and Water Corporation and, after the **Commencement Date**, any licensed electricity entity so prescribed by the Commission by a notice

published in the *Gazette*; and

**“Reliability Standards”** means standards relating to the ability of the **Regulated Electricity Entity** to maintain the availability of the service in question, typically being measured by how often and for how long consumers go without the service during a given period.

11.3 In this **Code**, unless the context otherwise requires:

- (a) if a term is defined in the *Electricity Reform Act 2000* and is not otherwise defined in clause 11.2, that term will have the same meaning as is given to that term under the *Electricity Reform Act 2000*;
- (b) headings are for convenience only and do not affect the interpretation of this **Code**;
- (c) words importing the singular include the plural and vice versa;
- (d) words importing a gender include any gender;
- (e) an expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other body corporate and any governmental agency and vice versa;
- (f) a reference to any thing includes a part of that thing;
- (g) a reference to a clause, Schedule or part of a clause or Schedule is a reference to a clause, Schedule or part of this **Code**;
- (h) a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws varying, consolidating, re-enacting, extending or replacing them and a reference to a statute includes all regulations, proclamations, ordinances, by-laws and determinations issued under that statute;
- (i) other parts of speech and grammatical forms of a word or phrase defined in this **Code** have a corresponding meaning;
- (j) mentioning an example or anything after the words “include”, “includes” or “including” will not limit what else might be included;
- (k) a period of time:
  - (i) which dates from a given day or the day of an act or event is to be calculated exclusive of that day; or
  - (ii) which commences on a given day or the day of an act or event is to be calculated inclusive of that day;
- (l) a reference to:
  - (i) a day is a reference to a period commencing immediately after midnight and ending the following midnight; and

- (ii) a month is a reference to a calendar month; and
  - (m) a reference to an accounting term is to be interpreted in accordance with accounting standards under the *Corporations Law* and, if not inconsistent with those accounting terms, generally accepted principles and practices in use from time to time in Australia in the ***Electricity Supply Industry***.
- 11.4 Where this **Code** authorises the making of an instrument or decision:
- (a) the power includes the power to amend or repeal the instrument or decision; and
  - (b) the power to amend or repeal the decision is exercisable in the same way, and subject to the same conditions, as the power to make the instrument or decision.

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## SCHEDULE 1

### INDICATORS OF RELIABILITY, QUALITY AND CUSTOMER SERVICE

#### 1. Reliability standards indicators

- 1.1 Reliability is measured by how often and for how long consumers go without electricity supply during a given period.
- 1.2 The indicators of **system-wide reliability** that are to be subject to minimum standards are:
- (a) the average minutes of off-supply per customer (interruption duration), reported separately for generation and network;
  - (b) the average number of interruptions per customer (interruption frequency), excluding momentary interruptions (less than one minute duration);
  - (c) the average interruption duration per customer, excluding momentary interruptions (less than one minute duration); and
  - (d) any other such indicator(s) that may from time to time be considered appropriate as a measure of system-wide reliability.
- 1.3 The indicators of the standards being achieved for the **poorly-performing segments** that are to be subject to minimum standards are:
- (a) percentage of consumers who experience more than x interruptions per year, excluding momentary interruptions (less than one minute duration);
  - (b) percentage of feeders that experience more than x interruptions per year, excluding momentary interruptions (less than one minute duration);
  - (c) percentage of consumers who experience more than y minutes of interruptions per year; and
  - (d) percentage of feeders that experience more than y minutes of interruptions per year; and
  - (e) any other such indicator(s) that may from time to time be considered appropriate as a measure of poorly-performing segments.

#### 2. Quality standards indicators

- 2.1 Quality of supply refers to the electrical specification of supply, and involves measures such as voltage levels, frequency, and harmonic content.

- 2.2 The indicators of **quality** that are to be subject to minimum standards are:
- (a) the number of complaints received in relation to voltage events such as voltage dips, swells, spikes etc; and
  - (b) any other such indicator(s) that may from time to time be considered appropriate as a measure of quality standards.

### 3. Customer service indicators

3.1 Customer service refers to a service provider's interaction with individual customers. It is generally monitored in terms of the service provider's responsiveness and dependability, and in relation to services provided and the level of complaints.

3.2 The indicators of **customer service** that are to be subject to minimum standards are:

- (a) the percentage of connections not provided within any regulated time limit and connections not provided by the date agreed with a customer;
- (b) the number and percentage of telephone calls responded to within 30 seconds from when the customer selects a human operator;
- (c) the number of customer complaints (a complaint is defined by Australian Standard 4269:1995 as any expression of dissatisfaction with a product or service offered); and
- (d) any other such indicator(s) that may from time to time be considered appropriate as a measure of customer service.

### 4. Data segmentation

4.1 It is important that standards of service are measured in such a way as to reflect the geographic and demographic characteristics of the Territory.

4.2 Where relevant, data should be segmented using the following regional categories:

- (a) Darwin;
- (b) Katherine;
- (c) Tennant Creek;
- (d) Alice Springs;
- (e) other.

4.3 Where relevant, data should be segmented using the following feeder categories:

- (a) urban; and

- (b) rural.
- 4.4 Where relevant, data should be segmented using the following customer categories:
  - (a) residential customers; and
  - (b) commercial/industrial customers.
- 4.5 Where relevant, data should be segmented using the following seasonal categories:
  - (a) wet season; and
  - (b) dry season.
- 4.6 Where considered appropriate, data can be segmented in additional ways where this serves the purpose of the Code.

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## SCHEDULE 2

### SETTING MINIMUM STANDARDS FOR EACH OF THE INDICATORS OF RELIABILITY, QUALITY AND CUSTOMER SERVICE

The Code requires the Regulated Electricity Entity to achieve standards of service, for certain services, at levels:

- a. initially, at least equivalent to those prevailing during the year before the commencement of the *Electricity Reform Act* and Network Access Code, which was 1 April 2000; and
- b. thereafter, if and when such standards are developed from time to time, alternative standards imposed on the Regulated Electricity Entity by any regulatory regime administered by the Commission or consistent with relevant national benchmarks.

#### 1. Initial Minimum Standards

- 1.1 The Initial Minimum Standards are therefore the standards of service, for certain services, prevailing during the year preceding 1 April 2000.
- 1.2 So that this corresponds with a financial year, the Initial Minimum Standards may be set by reference to the standards of service in the 1999-00 financial year.
- 1.3 As historic performance data is being used to inform future performance benchmarks, performance during 1999-00 that was atypical (perhaps due to external events such as fires and storms) should be excluded when setting the Initial Minimum Standard.

#### 2. Alternative Minimum Standards

- 2.1 If and when alternative standards are imposed on the Regulated Electricity Entity by any regulatory regime administered by the Commission or relevant national benchmarks are developed, the Minimum Standards approved under this Code must be varied to comply with these alternative standards.
- 2.2 These Alternative Minimum Standards must be developed according to processes set out in this Code and be in accordance the relevant industry regulation Acts of the Northern Territory.