

NORTHERN TERRITORY

ELECTRICITY

STANDARDS OF SERVICE CODE

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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, and as necessary or convenient to be done for or in connection with or incidental to the performance of its functions under:
- (i) section 92(1) of the *Electricity Reform Act 2000*;
 - (ii) section 10 of the **Network Access Act** and clause 9A and Part 3 of the **Network Access Code**; and
 - (iii) section 6 of the **Act**.
- (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**;
- (b) develop, monitor and enforce compliance with and promote improvement in standards and conditions of service and supply by **Regulated Electricity Entities** in the **Electricity Supply Industry**; and
- (c) require that **Regulated Electricity Entities** have in place arrangements which regularly report actual service performance against the key service performance indicators in terms of reliability, quality and customer service.

4. Standards of Service Minimum Obligations

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

- (a) that provides **Network Access Services** must establish and maintain **Network Access Services** that –
 - (i) are 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) that provides **Non-Contestable Electricity Supply Services** must establish and maintain **Non-Contestable Electricity Supply Services** that –
 - (i) are 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) are provided to minimum standards of service and safety that 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 5.2.

5.2 The final draft **Minimum Standards** submitted by a **Regulated Electricity Entity** under clause 5.1 must:

- (a) be designed to ensure compliance with the **Regulated Electricity Entity’s** obligations under clause 4;
- (b) encompass the key service performance indicators nominated in Schedule 1 to this **Code**;
- (c) be otherwise consistent with the requirements set out in Schedule 2 to this **Code** for each type of **Minimum Standard**; and
- (d) be 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 amendment.

5.3 In considering whether to approve any draft **Minimum Standards** submitted by a **Regulated Electricity Entity** under clause 5.1, 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 5.1 subject to such conditions as the **Commission** considers are appropriate in the circumstances including conditions :
- (a) requiring that specific amendments be made to the draft **Minimum Standards** submitted by the **Regulated Electricity Entity**;
 - (b) approving the **Minimum Standards** for a fixed term or period determined by the Commission;
 - (c) requiring review of the **Minimum Standards** at regular intervals by the **Commission** and the **Regulated Electricity Entity**;
 - (d) requiring resubmission of the **Minimum Standards** for approval following any change to the **Code** affecting the **Minimum Standards** or when otherwise requested by the **Commission**; and
 - (e) requiring that 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 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 5.1 for the submission of that type of **Minimum Standards**; or
 - (b) submits draft **Minimum Standards** to the **Commission** which in the opinion of the Commission require substantial amendment in order to 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.
- 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** for

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 matters considered by the **Commission** to be relevant including without limitation:
- (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 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 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 In deciding whether to vary or revoke this **Code** (or any part of this **Code**) under clauses 7.1 or 7.2, the **Commission** will have regard to matters considered by the **Commission** to be relevant including without limitation:
- (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.
- 7.4 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**.

7.5 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. Compliance Procedures and Compliance Reporting

8.1 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 with respect to each of the key service performance indicators nominated in Schedule 1 to this **Code** and in a form prescribed by the **Commission**.

8.2 The **Commission** may at any time, by notice given 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**.

8.3 Where the **Commission** appoints an independent auditor to undertake an audit of the **Regulated Electricity Entity's** compliance with any of its obligations under this **Code**, the **Regulated Electricity Entity** will be responsible to pay to the **Commission** the costs of undertaking that audit if in the reasonable opinion of the **Commission** the audit reports any failure by the **Regulated Electricity Entity** to comply with a material obligation under this **Code**.

8.4 A **Regulated Electricity Entity** must:

- (a) report any material breach of its obligations under this **Code** to the **Commission** as soon as reasonably possible after becoming aware of that breach;
- (b) undertake remedial action as soon as reasonably possible after becoming aware of that breach to rectify the breach or prevent future breaches from occurring; and
- (c) notify the **Commission** as soon as reasonably possible after becoming aware of that breach of the remedial action that is being undertaken in relation to the breach.

9. 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 **Network Access Act** 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**.

10. Interpretation

10.1 In this **Code**, words appearing like **this** will have the meaning set out in clause 10.2.

10.2 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 Act**” means the *Electricity Networks (Third Party Access) Act 2000*;

“**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 licensed electricity entity to **Non-Contestable Customers**;

“**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 electricity entity licensed to provide **Non-Contestable Electricity Supply Services** or **Network Access Services**; 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.

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

- (a) if a term is defined in the **Act**, the **Network Access Act**, the **Network Access Code** or the *Electricity Reform Act 2000* and is not otherwise defined in clause 10.2, that term will have the same meaning as is given to that term under the **Act**, the **Network Access Act**, the **Network Access Code** or the *Electricity Reform Act 2000* as the case may be;

- (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***.
- 10.4 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.

SCHEDULE 1

KEY SERVICE PERFORMANCE INDICATORS

1. Reliability standards indicators

- 1.1 Reliability is measured by how often and for how long consumers are subject to interruption of their electricity supply during a given period.
- 1.2 An interruption is any loss of electricity supply to a customer which is associated with an outage on any part of the electricity supply system up to, but not including, the service fuse, and which is of greater than one minute duration (a momentary interruption has a duration of one minute or less).
- 1.3 An interruption is reported as starting when remote monitoring equipment signals the loss of supply or, where monitoring equipment is not installed, when the customers first report the loss of supply.
- 1.4 The key indicators of **system-wide reliability** to be used are:
- (a) the average minutes of off-supply per customer (“interruption duration”);
 - (b) the average number of interruptions per customer (“interruption frequency”);
 - (c) the average interruption duration per customer; and
 - (d) any other such indicator(s) that may from time to time be considered appropriate as a measure of system-wide reliability.
- 1.5 Interruptions are to be reported as having occurred under one of the following categories:
- (a) distribution and transmission system – interruptions within the network; and
 - (b) generation – interruptions due to generation deficiency normally resulting in load shedding.
- 1.6 The Regulated Electricity Entity may remove the effect of severe interruptions to supply on its key reliability indicators, based on the “2.5 beta method”,¹ in order to determine the underlying network-related reliability performance. Such severe interruptions are referred to as “network exclusion events”. When an interruption meets the definition of a network exclusion event, the Regulated Electricity Entity must state the

¹ The 2.5 beta method removes the reliability data on days when the minutes off-supply exceeds a certain threshold, which is based on the network service provider’s historical reliability data.

date the event occurred and provide a satisfactory description of the reasons for the excluded event. The values of the relevant system-wide reliability indicators must nevertheless be reported in both unadjusted and adjusted terms.

- 1.7 The key indicators of the standards being achieved for the **poorly-performing feeders** to be used are:
- (a) the number of feeders that experience more than x interruptions per year;
 - (b) the percentage of consumers supplied by feeders that experience more than x interruptions per year;
 - (c) the number of feeders that experience more than y minutes of interruptions per year; and
 - (d) any other such indicator(s) that may from time to time be considered appropriate as a measure of poorly-performing feeders.

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 key indicators of **quality** to be used 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 Complaints are to be reported in accordance with Australian Standard 4269:1995, which defines a complaint as 'any expression of dissatisfaction with a product or service offered or provided'.

3.3 The key indicators of **customer service** to be used are:

- (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;
- (c) the number of customer complaints; 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 key service performance indicators are measured in such a way as to reflect the geographic and demographic characteristics of the Territory.
- 4.2 Where relevant, the Regulated Electricity Entity should report the key service performance indicators separately for the following regional categories:
 - (a) Darwin;
 - (b) Katherine;
 - (c) Tennant Creek;
 - (d) Alice Springs;
 - (e) other.
- 4.3 Where relevant, the Regulated Electricity Entity should report the key service performance indicators separately for the following feeder categories:
 - (a) urban; and
 - (b) rural.
- 4.4 Where relevant, the Regulated Electricity Entity should report the key service performance indicators separately for the following customer categories:
 - (a) residential customers; and
 - (b) commercial/industrial customers.
- 4.5 Where relevant, the Regulated Electricity Entity should report the key service performance indicators separately for each quarter and on a quarterly 12 month rolling average basis.
- 4.6 Where considered appropriate, the Regulated Electricity Entity may report its key service performance indicators segmented in additional ways where this serves the purpose of the Code.

SCHEDULE 2

SETTING MINIMUM STANDARDS FOR EACH OF THE KEY SERVICE PERFORMANCE INDICATORS

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 with the relevant industry regulation Acts of the Northern Territory.