



# REVIEW OF ETSA UTILITIES QUALITY OF SUPPLY PROCESSES

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**ELECTRICITY**



## **TABLE OF CONTENTS**

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<b>1</b>	<b>Background</b>	<b>1</b>
<b>2</b>	<b>The Review</b>	<b>3</b>
	2.1 Findings	3
<b>3</b>	<b>Future Actions</b>	<b>5</b>



# 1 BACKGROUND

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In South Australia, holders of licences issued under the *Electricity Act 1996* are bound by various licence conditions and obligations under Industry Codes made by the Essential Services Commission of South Australia (the Commission) pursuant to the *Essential Services Commission Act 2002*.

One such licensee is ETSA Utilities<sup>1</sup>, which is authorised to conduct electricity distribution operations in South Australia. Its obligations include compliance with the voltage standards (in terms of power quality and response to customer enquiries) established under the Electricity Act and the Electricity Distribution Code.

In March 2003, The Commission reviewed ETSA Utilities' Quality of Supply ("QoS") processes. Among other things, the report of this review proposed a number of improvements aimed at providing a good basis for ensuring that ETSA Utilities continues to comply with applicable Australian power quality standards, and for ensuring that customer enquiries and complaints associated with power quality are resolved equitably and efficiently. The review proposed that the Commission:

- ▲ oversight ETSA Utilities' compliance with voltage regulatory obligations;
- ▲ oversight ETSA Utilities' procedures for dealing with customer voltage complaints, including the provision of feedback to customers;
- ▲ oversight ETSA Utilities' voltage-monitoring program across the distribution network; and
- ▲ monitoring of the administration of ETSA Utilities' customer voltage variation compensation scheme.

The Commission determined that another review of ETSA Utilities' QoS processes was warranted in the future. Using ETSA Utilities' performance data reported pursuant to Electricity Industry Guideline No. 1, the subsequent review was designed to determine:

- ▲ if ETSA Utilities has effective processes in place to deal with customer voltage complaints; and
- ▲ if the processes are adhered to by relevant ETSA Utilities' staff.

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<sup>1</sup> ETSA Utilities is a partnership comprising CKI Utilities Development Limited (ABN 65 090 718 880), HEI Utilities Development Limited (ABN 82 090 718 951), CKI Utilities Holdings Limited (ABN 54 091 142 380), HEI Utilities Holdings Limited (ABN 50 091 142 362), and CKI/HEI Utilities Distribution Limited (ABN 19 091 143 038), each incorporated in The Bahamas.



## 2 THE REVIEW

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The review was conducted in October 2005. It involved the examination of ETSA Utilities' QoS processes from a sample of 20 randomly selected State-wide customer quality of supply enquiries (including enquires that progressed into complaints) in the previous 12-month period.

The review focused on:

- ▲ ETSA Utilities' accredited quality-managed procedure for administering QoS enquiries designed to manage customers' voltage enquiries including complaints; and
- ▲ a sample of 20 QoS queries cases (7 metropolitan and 13 regional) that have been reported in the previous 12-month period.

The Code requires the distributor to ensure that the distribution network is managed and maintained to meet QoS standards defined in various Australian Standards. ETSA Utilities has developed its own "Best Endeavours Service Standards" (BESS) associated with responding to QoS queries.

### 2.1 Findings

In relation to adherence to QoS processes by relevant staff, it was found that ETSA Utilities' performance in handling individual cases varied between greater metropolitan and regional areas. Specifically, it was found that ETSA Utilities, on occasions, did not meet its own internal service standards.

Overall, the review concluded that, whilst ETSA Utilities has developed and put in place comprehensive QoS processes:

1. there is scope for the improvement of those processes particularly in ETSA Utilities' ability to track cases at risk of not being resolved in a timely manner;
2. data processes should be improved to ensure that all records are current; and
3. greater impetus by management is required to ensure that adherence to those processes, and therefore ETSA Utilities' compliance with the applicable regulatory obligations, is further promoted and monitored in the context of regional areas.

In view of these findings, the Commission will liaise with, and continue to monitor ETSA Utilities with respect to the refinement of the QoS processes, including a revision of BESS standards.

The Commission notes however, that since the review of ETSA Utilities' QoS processes in March 2003, there has been a significant improvement and commitment to the handling of QoS matters.



The findings reveal that while ETSA Utilities has comprehensive processes in place, there is scope for improvement in areas such as the implementation of:

- ▲ automated processes capable of identifying, and alerting relevant staff, of cases where BESS timeframes have not been met or are at risk of not being met;
- ▲ better (separated) recording in relation to network problems which are discovered as a result of, but are not related to, initial customer enquiries;
- ▲ processes that further engage and inform customers where remediation is protracted; and
- ▲ routine data quality checks to ensure accuracy of records.

The reporting and recording procedures were shown to be deficient in some regional areas, which ETSA Utilities acknowledges.

ETSA Utilities is reviewing its processes to ensure that it can comply with its own relevant service standards.

### **3 FUTURE ACTIONS**

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ETSA Utilities has responded to the findings of the review by implementing strategies to deal with areas where there is scope for improvement as listed above. The strategies will be implemented in a staged approach and included in the Quality Management System by 30 June 2006.

ETSA Utilities has also reviewed its BESS target for remediation works and has raised this target to complete 65% of the works in 80 business days.

The Commission will continue to liaise with, and monitor ETSA Utilities, on the implementation of more efficient processes aimed at resolving all QoS issues more adequately, and particularly those affecting regional customers.

While The Commission acknowledges ETSA Utilities' efforts and endeavours in implementing appropriate processes since the 2003 review, ETSA Utilities will need to be more proactive in promoting a stronger compliance culture, particularly within its regional workforce, to ensure that it meets its own Best Endeavours Service Standards.

The Commission will further review the implementation of ETSA Utilities' improved practices during 2007.