



## Guaranteed service levels and payments for distribution reliability

The Independent Pricing and Regulatory Tribunal of NSW (IPART) is reviewing the reliability standards for the state's three electricity distributors – Ausgrid, Endeavour Energy and Essential Energy (the distributors). The distribution networks provide the local poles and wires that transport electricity to household and business customers.

A full copy of the Draft Report can be found on our website, where you can also make a submission (due by 20 November 2020).

### Proposed guaranteed service levels will better protect customers from poor service

The current standards provide for eligible customers to apply for a payment of \$80 each when they experience very long or very frequent outages over a year. However, very few customers apply for the payment, and although network charges and customers' bills have been increasing over time, the level of the payment has not been updated since we recommended it in 2004.

We propose replacing the \$80 payment with payments linked to customers' network charges. Our recommended levels and payment amounts would better acknowledge the poor reliability levels received by the worst-served customers on each network. We are recommending payments for two different levels of poor reliability.

#### Proposed guaranteed service levels and recommended payments if they are not achieved

	Ausgrid	Endeavour Energy	Essential Energy	Payment
<b>Level 1</b>	15 hours or 8 outages	15 hours or 8 outages	20 hours or 10 outages	Equal to the distribution network service charge in each network. For residential customers this would be around \$152-\$336 depending on network area.
<b>Level 2</b>	40 hours or 20 outages	40 hours or 20 outages	60 hours or 30 outages	Equal to the distribution network usage charge in each network For residential customers this would be around \$205-\$410 depending on network area.

### Proposals for more customers to be made aware of the payments

Customers would continue to have to apply for the payment if they have received poor service. We consider that a payment made on application is consistent with principle of a refund for poor performance. However, we are proposing that distributors make greater efforts to ensure that customers are aware of these payments and how to apply for them. They would have to publish on their websites the number of customers that received poor service than the standard as well as how many customers applied for the payment and how many payments were made.