



Gas



Australian Gas Networks Regulatory Performance Report 2018-19

Key messages

- ▶ Australian Gas Networks Pty Ltd (**Australian Gas Networks**) responded to the majority of reported leaks and emergencies in a timely manner.
- ▶ There were no significant, protracted interruptions to customers' supply on the gas distribution network during 2018-19.
- ▶ Of the 8,313 gas leaks reported by the public, 99.9 percent were repaired within the timeframe specified in the Australian Gas Networks' Leakage Management Plan.

The Essential Services Commission's (**Commission**) powers and functions in relation to Australian Gas Networks Pty Ltd (**Australian Gas Networks**) are contained in the Gas Act 1997 and the Essential Services Commission Act 2002.

Australian Gas Networks is a privately owned monopoly service provider of reticulated natural gas distribution services in South Australia. The South Australian gas distribution network comprises approximately 8,000 km of gas mains and serves over 450,000 customers.

Australian Gas Networks has been issued with a gas distribution licence by the Commission, which authorises it to provide these services in South Australia. As a requirement of its gas distribution licence, Australian Gas Networks must comply with the requirements set out in any industry codes made by the Commission.

Under the Commission's Gas Distribution Code (**Code**), Australian Gas Networks must comply with obligations relating to quality, safety and reliability of gas distribution (including maintaining gas pressure and capability of the distribution system).

Australian Gas Networks complied with its regulatory obligations

Pursuant to the Code, Australian Gas Networks is required to report on its performance against the following obligations:

- ▶ establish and document operational and system security standards for its distribution system
- ▶ maintain a set delivery pressure of gas from the distribution system to ensure the operating pressure of gas at the outlet of each customer's meter is within set ranges
- ▶ deliver gas received from a retailer at a receipt point through its distribution system to delivery points nominated by the retailer on terms and conditions set out in an access arrangement (or other reasonable terms)
- ▶ provide information to retailers on its requirements relating to the protection of its distribution network within 10 business days, if requested
- ▶ maintain the capability of its distribution system and, unless approved by the Commission, not remove or disable any part of the distribution system that supplies gas to one or more customers, and
- ▶ reconnect a disconnected customer in accordance with requirements under the National Energy Retail Law within sufficient time for a retailer to also meet its obligations to the customer under that Law.

Australian Gas Networks reported no non-compliances in respect of the above obligations for 2018-19.

Gas distribution performance by Australian Gas Networks was reliable

In conjunction with the obligations outlined above, the Commission also monitors Australian Gas

Networks' performance against the following three service performance measures:

- ▶ responsiveness to the leaks and emergencies telephone number
- ▶ responsiveness to public reporting of gas leaks, and
- ▶ customer interruptions (frequency and duration).

Australian Gas Networks' performance is measured against its average historical performance, with Australian Gas Networks required to provide explanations for any material departures from historical averages.

This is the third year of the five-year regulatory period that applies to Australian Gas Networks, during which performance data has been reported. In future years, ongoing monitoring of the historical data provided during the current regulatory period will enable the Commission to undertake more detailed trend analysis (and take appropriate action, if necessary) when assessing performance.

Responsiveness to phone calls made to the leaks and emergencies telephone number

The responsiveness reported to calls received on the leaks and emergencies number is similar to that reported in earlier years of the current regulatory period.

Of the 12,309 calls to the leaks and emergencies telephone number, 95 percent were answered within 30 seconds.

Responsiveness to public reporting of gas leaks

Of the 8,313 gas leaks reported by the public, 99.9 percent were repaired within the timeframe specified in Australian Gas Networks' Leakage Management Plan, compared to 8,779 leaks in 2017-18, when 99.9 percent were repaired within the timeframe specified. In addition, there were

1,205 gas leaks reported by the public where no gas leak was found.

Customer interruptions

No trend or material differences in the number of customers experiencing multiple interruptions or the customers experiencing long duration interruptions, were identified for the current regulatory period.

The Commission monitors unplanned interruptions of gas supply, including the number of customers affected and the duration of the interruptions (that is, interruptions longer than 12 hours).

Australian Gas Networks reported 63 unplanned interruptions in 2018-19, compared to 147 unplanned interruptions in 2017-18, where that interruption was not restored within 12 hours.

During the year, 88 customers were reported by Australian Gas Networks as having experienced two or more interruptions in the 12 month period ending June 2019, where the interruption was unplanned and caused by operator action, third party damage or asset condition. In 2017-18, 74 customers were reported as having experienced two or more interruptions during the same time period.

Further information

Further information on Australian Gas Networks service performance measures and obligations can be found here <http://bit.ly/gas-regulatoryperformancereports>.

The complete time series performance data for Australian Gas Networks can be found here <https://www.escosa.sa.gov.au/industry/gas/regulatory-reporting/regulatory-performance-reports>.

The Commission reviews the effectiveness of its regulatory framework for Australia Gas Networks every five years. Information about the regulatory framework review for 2021-26 can be found here <http://bit.ly/AGN-regulatory-framework-review>.

The Essential Services Commission is an independent statutory authority with functions in a range of essential services including water, sewerage, electricity, gas, rail and maritime services, and also has a general advisory function on economic matters. For more information, visit www.escosa.sa.gov.au.

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