



Electricity Distribution Code clarification

The Commission has varied the Electricity Distribution Code (**Code**) to clarify the operation of the Guaranteed Service Level (**GSL**) scheme that applies to SA Power Networks.

The variation reflects the Commission's decisions in 2008 and 2014, and clarifies that when an interruption occurs that is beyond the control of SA Power Networks (eg bushfire, lightning, storm, flood), and it is unsafe to restore supply, it is excluded from the GSL scheme.

Importantly, the variation to the Code is not a change in Commission policy or position, but seeks to clarify the intended operation of the scheme.

On 27 December 2017, SA Power Networks wrote to the Commission expressing concern that it was unclear under the National Energy Customer Framework (**NECF**), whether the 'stop the clock' mechanism (ie force majeure provisions) applied to the GSL scheme under the deemed standard connection contract model terms and conditions.

SA Power Networks requested the operation of the GSL be clarified and put forward that suspending the obligation to restore supply in circumstances when it is not safe for workers to undertake restoration work, or where they are prevented from accessing damaged infrastructure, has been an underpinning principle and clear intent of the GSL scheme since its inception in 2005.

Under the NECF, SA Power Networks must base its customer connection contract on the model terms and conditions for its deemed standard connection contracts. To pick up jurisdictional GSL

requirements, SA Power Networks must insert in the contract the particulars of the applicable GSL scheme that is set out in energy laws.

Commission's consideration

The Commission has considered this matter and confirms that, under the GSL scheme, interruptions that occur beyond the control of the distributor (eg bushfire, lightning, storm, and flood), and it is unsafe to restore supply, should be excluded from the GSL scheme.

This is how the scheme operated prior to the NECF and the Commission has been, and is, of the view that the intent is that the scheme operates in this manner under the national framework.

The Commission consulted publicly on this matter in its review of the South Australian Electricity Distribution Service Standards: 2010-2015.

The Commission noted in the Final Decision (released in November 2008) that force majeure provisions in the contract removed ETSA Utilities' (now SA Power Networks) obligation to make GSL payments when a force majeure event occurs.

The Commission's Final Decision set GSLs to apply as a contractual term for contracts between ETSA Utilities and its distribution customers. Therefore under the contract in place at the time, force majeure (or 'stopping the clock') was able to be applied to GSL payments.

However, this intent has not been expressly stated in the Code. Therefore, there is merit in varying the Code to clarify the intent of the scheme, consistent with the Commission's existing position and decisions in 2008 and 2014.

Final Decision

To ensure the GSL scheme operates as intended by the Commission, a variation has been made to the Code to specify 'stop the clock' requirements. A new clause 2.3.2, refer below, has been inserted into section 2.3 Guaranteed Service Standard of the Electricity Distribution Code.

The variation will consequently form part of SA Power Networks' standard connection contract to explicitly specify the ability for SA Power Networks to 'stop the clock' under the national framework.

This is not a change in Commission policy but seeks to clarify the intended operation of the scheme.

SA Power Networks will continue to be required to use its best endeavours to give customers notice of a 'stop the clock' event (as it did before when utilising force majeure provisions).

Further information

- ▶ [Electricity Distribution Code EDC/12.1](#) is available on the Commission's website.

2.3.2 Interruptions outside control of distributor

- (a) If an interruption arises from one or more events or circumstances that are not caused by and are outside the control of the **distributor** (e.g. bushfire, lightning, storm, flood) and:
- (i) the **distributor** is prevented from restoring supply by an event or circumstance that is not caused by and is outside the control of the **distributor**; or
 - (ii) if the **distributor** took steps to restore, or to seek to restore, supply during or following the event or circumstance, those steps would, or would be likely to, result in a serious risk to the health or safety of any person (including a serious risk to the health or safety of any employee or contractor of the **distributor** other than a risk that arises in the ordinary course of the person's employment or the performance of their contractual obligations),
the period of time during which (as applicable):
 - (iii) the **distributor** is so prevented; or
 - (iv) the serious risk to the health or safety of that person continues to exist,will not be counted in determining whether the **distributor** has exceeded a timeframe set out in clause 2.3.1(d).
- (b) The **distributor** must use its **best endeavours** to give prompt notice to affected **customers** including details of the event, an estimate of likely duration, the extent to which obligations are affected and the steps taken to remove, overcome or minimise those effects.
-

Background

Guaranteed Service Level (GSL) Scheme

Under the GSL scheme, SA Power Networks makes payments to South Australian customers when it fails to meet prescribed levels of performance. The GSL scheme requires SA Power Networks to make payments to customers for:

- ▶ unplanned interruptions to electricity supply
- ▶ late attendance by SA Power Networks at an appointment
- ▶ delays in providing a new connection, and
- ▶ reporting street light outages that are not fixed in a timely manner.

The objective of duration and frequency of interruption GSL payments is to acknowledge poor performance where customers are unlikely to receive future service improvements due to the high costs of improving their supply. Current GSL payment amounts are set out in Table 1.

Table 1: GSL payment amounts as established in the Code

GSL category	Amount (including GST)
Frequency of supply >9 and <12 interruptions	\$100
Frequency of supply >12 and <15 interruptions	\$150
Frequency of supply more than 15 interruptions	\$200
Duration of supply >12 and <15 hours	\$100
Duration of supply >15 and <18 hours	\$150
Duration of supply >18 and <24 hours	\$200
Duration of supply >24 and <48 hours	\$405
Duration of supply >48 hours	\$605
Timeliness of appointments – no more than 15 minutes late	\$25
Promptness of new connections – within 6 business days	\$65 per day to a maximum of \$325
Timeliness of streetlight repairs – metro areas	\$25 per 5 business day period
Timeliness of streetlight repairs – regional areas	\$25 per 10 business day period

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.

Essential Services Commission
GPO Box 2605 ADELAIDE SA 5001

Telephone: (08) 8463 4444 E-mail: escosa@escosa.sa.gov.au Web: www.escosa.sa.gov.au