



Submission – Draft Electricity Distribution Code & Distribution Guideline No.1

April 2020

30 April 2020

SA Power Networks
www.sapowernetworks.com.au

| | |
|---|----|
| 1. Executive Summary..... | 3 |
| 2. Definitions..... | 6 |
| 3. Proposed reliability service standard targets | 7 |
| 3.1 Normal variation in annual reliability performance – period for setting targets | 7 |
| 3.2 Period for setting reliability targets | 7 |
| 4. Setting reliability targets and reporting thresholds..... | 9 |
| 4.1 Rounding of average performance to set targets..... | 9 |
| 4.2 Restoration of supply targets..... | 9 |
| 5. Public lighting framework..... | 12 |
| 5.1 Change in streetlight framework post the Commission’s Final Decision | 12 |
| 5.2 Reporting of SLOs..... | 12 |
| 6. Detailed comments on proposed EDC amendments..... | 15 |
| 6.1 Detailed comments on the amendments to the EDC | 15 |
| 7. Detailed comments on proposed Guideline No.1 amendments | 17 |
| 7.1 Detailed comments on the amendments to Guideline No.1 | 17 |

1. EXECUTIVE SUMMARY

The following provides an overview of our positions in relation to the Essential Services Commission of South Australia (the Commission) in relation to the reliability standard targets, reporting thresholds and the streetlight light Guaranteed Service Level (GSL) payment regime.

Proposed EDC reliability targets

SA Power Networks supports the Commission's approach to establishing the reliability targets based on the most recent 10-year historic average.

It is SA Power Networks' view that this approach will better accommodate normal variations in weather caused interruptions. Our analysis has shown that weather related interruptions on average contributed less in the last five years when compared to the prior five years. Consequently, if the targets were based on the most recent five years performance, we could be required to invest more in our network to meet the targets.

SA Power Networks agrees with the Commission's reasoning, that if the targets were based on the average performance over the last five years (ie 1 July 2014 to 30 June 2019), it may obligate us to improve reliability which customers were unwilling to fund.

CBD Reporting threshold

SA Power Networks is not concerned by the lower reporting threshold for the CBD USAIDIn and USAIFIn. We consider that the CBD performance typically only exceeds the proposed thresholds when there is a systemic issue that requires addressing. Where a systemic issue is identified SA Power Networks will determine options for remedy and implement the most cost-effective option. However, it should be noted that generally it is not possible to remedy a systemic issue in the year it is identified.

Restoration of supply targets and reporting thresholds

SA Power Networks supports the Commission's decision to specify different restoration times for power line feeders with different duration targets, rather than as specified in its Final Decision. The support is on the basis that it provides customers with information about the typical maximum duration of an interruption to be expected from the category of power line feeder they are supplied from. For example, if a Rural short feeder customer has an unplanned interruption, then the duration should be less than five hours (provided the interruption is not during a significant storm).

SA Power Networks does not support the method (ie rounding to the nearest 5 percent) the Commission has used to establish the percentage restoration targets and the associated reporting threshold, as it has resulted in the first restoration target for both the Urban and Rural Feeder category reporting threshold being nearly identical to average historical performance. This will create additional reporting burden on SA Power Networks to explain what are, essentially, normal variations. This does not align with the reasons for establishing the reporting threshold, which were for us to not have to justify minor variations in performance above the average historical performance. Further, the variation in restoration percentages is minimal and does not justify rounding the average performance to the nearest 5 percent.

We have proposed an alternative method to establishing the restoration of supply targets and the associated reporting threshold. We have proposed rounding the restoration targets to the nearest one percent and then adding three percent (instead of the Commission's 2.5%) to set the reporting threshold.

Public lighting service levels

In its Final Decision, the Commission abandoned its Draft Decision to amend the current streetlight out (SLO) guaranteed service level (GSL) payments. However, the Commission indicated that if there were further developments in the Public Lighting area, then it may reevaluate its Final Decision.

Councils and the Department of Planning Transport and Industry (DPTI) are our Public Lighting Customers (PLCs) ie and they are responsible for ensuring that public roads are appropriately illuminated. PLCs can choose to either install their own public lights or to engage SA Power Networks to install them and provide the public lighting service. Where a person reports a SLO for a PLC owned streetlight and the light is not repaired within the prescribed GSL, no payment is made to the person by the PLC. PLCs own around 20% of streetlights.

In the lead up to our 2020-25 Regulatory Control Period (RCP), SA Power Networks developed, in consultation with our PLCs, a Public Street lighting tariff agreement (PL Tariff agreement) and public lighting service levels. For the avoidance of doubt, contractually, public lighting services are provided to PLCs and not to SA Power Networks distribution customers. The PL Tariff agreement details the prices PLCs pay for the service levels provided. It also, specifies that 98% of streetlights must be repaired in five business days (ie Metropolitan areas) and in 10 business days in other areas. This agreement was not concluded at the time the Commission made its Final Decision.

SA Power Networks has reviewed the Public Lighting Codes and practices of Victoria, New South Wales (NSW) and Queensland. That review determined that distributors do not use night patrols to detect SLOs where they regularly change lamps and photoelectric cells through a ‘bulk change’ programme. Bulk change practices are typically used for the majority of a distributor’s streetlights. Distributors do routinely night patrol major roads but do not bulk change lights on major roads. SA Power Networks uses bulk changes on all its streetlights including any lights on major roads. The repair times for all lights in other states vary between three to 10 business days. Repair times for SLOS with standard fittings in Victoria being seven business days.

As distributors rely on the public reporting SLOs for streetlights which are not night patrolled to maintain service levels, we have reviewed the incentive provided by the SLO GSL payment in those three states. This review found a GSL payment incentive is not required to report SLOs. SLO GSL payments are not made in Queensland, and in the other states only apply to the first person who reports an SLO provided the person resides adjacent to the light and their property is illuminated by the light (ie they receive a direct benefit from the streetlight).

The objective of the GSL scheme is to make an inconvenience payment to a customer who has not received a service in a timely manner. As we provide the street lighting service to PLCs and they are paying for the service, they should receive the SLO payment, not any person who reports a SLO and who may not even reside in that Council area.

The current SLO GSL payment regime is inefficient and significantly increases costs as it:

1. penalises SA Power Networks for delays in repairing SLOs that are beyond its reasonable control (eg Council required to clear vegetation so we can gain access to repair the SLO, or we require an access permit from DPTI to repair a light on some major roads);
2. incentivises serial streetlight reporters to also report streetlights that are working to maximise their GSL payments from streetlight that are not working. (Over calendar years 2018 and 2019, 14% of SA Power Networks’ streetlights reported as SLOs were actually working when attended. This cost SA Power Networks in excess of \$600,000. This cost significantly exceeded the SLO GSL payments made over these two calendar years;
3. provides enough income for serial SLO reporters to establish a pseudo for-profit business to patrol streetlights at night. This is not the objective of the GSL regime. The scheme should

not be rewarding ‘customers’ in this way – it should only be compensating individuals who are impacted by a lack of service.

All these factors result in inefficiencies and ultimately lead to higher costs for PLCs and ultimately their rate payers. We believe the Commission should amend its Final Decision and either adopt:

1. its Draft Decision for no GSL Payment (which is what applies in Queensland), or
2. adopt a similar SLO GSL regime that applies in Victoria and NSW where only the person adjacent to the SLO receives a GSL payment, or
3. remove the recurring component of the current SLO GSL scheme. That is, irrespective of how long it takes to repair a SLO the customer receives a single payment of \$25.

2. DEFINITIONS

Definitions of terms used in this report:

| Term | Definition |
|------------------|---|
| 2010-15 RCP | 2010-15 Regulatory Control Period or 1 July 2010 to 30 June 2015. |
| 2015-20 RCP | 2015-20 Regulatory Control Period or 1 July 2015 to 30 June 2020. |
| 2020-25 RCP | 2020-25 Regulatory Control Period or 1 July 2020 to 30 June 2025 |
| 2.5β method | The IEEE Std 1366™-2012 2.5 Beta statistical method used to calculate T _{MED} . |
| AER | Australian Energy Regulator |
| BoM | Bureau of Meteorology |
| CBD | Central Business District feeder category |
| Draft Decision | The Commission’s Draft Decision, SA Power Networks reliability standards review August 2018 ¹ |
| EDC | South Australian Electricity Distribution Code |
| Final Decision | The Commission’s Final Decision, SA Power Networks reliability standards review January 2019 ² |
| The Commission | The Essential Services Commission of South Australia |
| IEEE | US Institute of Electrical and Electronic Engineers Inc |
| MED | Major Event Day – any day where the daily USAIDI accrued on that day, exceeds a predetermined USAIDI threshold. The threshold is determined in accordance with the IEEE Std 1366™-2012 2.5 Beta statistical method. |
| USAIDIn | Normalised USAIDI (USAIDI excluding interruptions that start on MEDs) |
| USAIFIn | Normalised USAIFI (USAIFI excluding interruptions that start on MEDs) |
| RCP | Regulatory Control Period means the period of a regulatory distribution determination by the AER. |
| STPIS | The AER’s Service Target Performance Incentive Scheme with provides incentive for distributors to maintain or improve reliability performance. |
| SWE | Significant Weather Event as reported by the BOM in their monthly weather review. |
| T _{MED} | The daily USAIDI threshold used to determine if a day will be classified as a MED. |
| UCAIDI | Unplanned Customer Average Interruption Duration Index (ie average time taken to restore supply to customers as a result of an unplanned interruption) |
| USAIDI | Unplanned System Average Interruption Duration Index – total number of minutes, on average, that customers are without electricity as a result of unplanned interruptions ³ in a year. |
| USAIFI | Unplanned System Average Interruption Frequency Index – average number of times customers’ supply is interrupted per year from unplanned interruptions. |

¹ The Commission’s Draft Decision can be found at: <https://www.escosa.sa.gov.au/ArticleDocuments/1186/20180802-Electricity-SAPowerNetworksReliabilityStandardsReviewSSF20-DraftDecision.pdf.aspx?Embed=Y>

² The Final Decision can be found at <https://www.escosa.sa.gov.au/ArticleDocuments/1188/20190107-Electricity-SAPN-reliabilitystandardsreview-FinalDecision.pdf.aspx?Embed=Y>

³ Excludes interruptions where the duration is less than three minutes.

3. PROPOSED RELIABILITY SERVICE STANDARD TARGETS

3.1 Normal variation in annual reliability performance – period for setting targets

Normally one might expect to measure a system's reliability by its availability. However, as the distribution network is extremely reliable, its reliability performance is measured by the duration (in minutes) in a year it is unavailable to supply electricity to customers. For example, if the distribution system is unavailable to supply electricity for 180 minutes in a year then it is available to supply electricity for 525,420 minutes (or 99.97% available to supply electricity during that year). If the measured unavailability doubled to 360 minutes (a 100% increase in its unavailability) then its availability would only decrease to 525,240 minutes (or 99.93% available) a decline of 0.04%.

Annual percentage variations in the distribution system unavailability or measured reliability (eg Unplanned System Average Interruption Index) are normal and do not mean that the distribution system availability has declined materially.

SA Power Networks has long established practices which are continuously being improved to maximise the availability of the distribution system to supply electricity to customers at the lowest sustainable cost. We monitor the distribution system's performance daily to identify systemic problems or to identify where the performance of a single high voltage feeder is declining. Actions are then planned and implemented to address the systemic problem or address the decline in the feeder's long-term performance.

3.2 Period for setting reliability targets

The Commission has posed the following question:

Question for stakeholders:

Do you support the Commission's position to set network reliability targets as the average of ten years' historical performance? Why or why not?

Yes. SA Power Networks supports the Essential Services Commission of South Australia's (the Commission's) approach to establishing the reliability targets based on the most recent 10-year historic average performance which is then rounded to the nearest five minutes or 0.05 interruptions.

Our support is based on our analysis that 10 years of historic performance is more reflective of the normal variations in underlying reliability due to weather. Our analysis has determined that the contribution from weather caused interruptions to reliability performance was lower than normal during the last five years (ie 2014-15 to 2018-19) and higher than normal for the prior five years (ie 2009-10 to 2013-14). Therefore, averaging the performance over the ten-year period 2009-10 to 2018-19 provides a better estimate of the underlying reliability performance. Note that using the 10-year average results in lower reliability targets (ie an improvement) in all feeder categories except for the CBD.

Table 1 highlights the average annual contribution to normalised USAIDI (ie USAIDIn) over various periods from weather (including unknown) caused interruptions.

Table 1 - Average contribution to USAIDIn from weather (plus Unknown) caused interruptions

| Period | No of years | USAIDIn |
|--------------------|-------------|---------|
| 2005-06 to 2009-10 | 5 | 81.9 |
| 2009-10 to 2013-14 | 5 | 85.4 |
| 2014-15 to 2018-19 | 5 | 72.1 |
| 2005-06 to 2018-19 | 14 | 79.6 |
| 2009-10 to 2018-19 | 10 | 78.8 |

The Table highlights that the long term average contribution since 2005-06 to USAIDIn is around 80 minutes. In addition, it highlights that the contribution during the 2009-10 to 2013-14 period was higher than the average and that the contribution during the 2014-15 to 2018-19 period was lower. Therefore, a superior estimate for the historic average contribution to reliability performance from weather caused interruptions is to use the ten year average and not the five year average (ie 79 minutes not 72 minutes).

Therefore, it is SA Power Networks’ view that setting targets based on a 10 year period and not a five year period better accommodates weather caused interruptions. Our analysis has shown that there were fewer weather related interruptions on average in the last five years when compared to the prior five years. Consequently, we could be required to invest to improve reliability performance if targets were based on the last five years performance.

Table 2 below highlights the current EDC targets and the historic ten-year average that are proposed to be used to establish the revised EDC to apply from 1 July 2020.

Table 2 - Current EDC reliability targets and the 10-year average

| Feeder category | Current EDC target | | 10 year average | |
|-----------------|--------------------|--------|-----------------|--------|
| | USAIDI | USAIFI | USAIDI | USAIFI |
| CBD | 15 | 0.15 | 16 | 0.15 |
| Urban | 120 | 1.30 | 108 | 1.17 |
| Short Rural | 225 | 1.90 | 199 | 1.63 |
| Long Rural | 300 | 2.00 | 289 | 1.75 |

4. SETTING RELIABILITY TARGETS AND REPORTING THRESHOLDS

4.1 Rounding of average performance to set targets

The Commission is proposing to set the service standard reliability targets by rounding the 10-year average historic performance to nearest five minutes for USAIDIn, to the nearest 0.05 interruptions for the normalised Unplanned System Average Interruption Frequency Index (USAIFIn).

SA Power Networks has no concerns with how the Commission has set the targets for USAIDIn nor USAIFIn by rounding USAIDIn to the nearest five minutes and rounding USAIFIn to the nearest 0.05 interruptions.

The Commission has introduced the concept of a reporting threshold. This is a good idea as we will not be required to demonstrate the use of best endeavours where we have exceeded the target but have not exceeded the reporting threshold. However, we will be required to demonstrate the use of best endeavours, where a performance exceeds the reporting threshold but previously that identical performance was judged by the Commission as meeting the service standard. This is because the reporting threshold has been set at a value so at least one performance in the last five years exceeds it. This is unwarranted.

As highlighted in section 3.1, variations in reliability performance are normal. If reliability performance in a particular year exceeds the reporting threshold, it does mean that there is a systemic issue that requires addressing.

Question for stakeholders:

Do you support the Commission's position to set lower reporting thresholds for CBD feeders? Why or why not?

Yes. SA Power Networks has no concerns with the lower reporting threshold for the CBD USAIDIn and USAIFIn. We consider that the CBD performance would only exceed the proposed thresholds when there is a systemic issue that needs addressing. Where a systemic issue is identified SA Power Networks will determine options for remediation and implement the most cost-effective option. However, it should be noted that typically it is not possible to address a systemic issue in the year it is identified.

4.2 Restoration of supply targets

This section looks at the new measures that the Commission has introduced for the 2020-25 RCP. The Commission has posed the following question.

Questions for stakeholders:

Do you support establishing restoration targets of different lengths for each feeder category in the network? Why or why not?

Yes. This provides customers with information about the typical maximum duration of an interruption for each of the feeder categories. For example, if a Rural short feeder customer has an unplanned interruption then the duration should be less than five hours (provided it is not during a significant storm).

The following discussion examines the interaction between rounding the historic average restoration of supply performance to the nearest five percent and then adding 2.5% to that rounded target to set the reporting threshold.

Question for stakeholders

Do you support use of a standard restoration target reporting threshold of 2.5 percentage points across all feeder categories? Why or why not?

No. SA Power Networks does not support the method the Commission has used to establish the percentage restoration targets and the reporting threshold as the Commission has not first added the 2.5% to the average performance and then rounded the reporting threshold to the nearest 5%. It has first rounded the average to the nearest five percent and then added 2.5% to that rounded amount.

The Commission’s method has resulted in the restoration reporting thresholds for Urban Feeders (2 hours) and Rural Short feeders (3 hours) being nearly the same as the average historic performance. The average historic performance for Urban feeders is 27.1% with a proposed reporting threshold of 27.5% and the average historic performance of Rural short feeders is 27.3% with a reporting threshold of 27.5%. This would not meet the reporting thresholds’ objective.

In addition, SA Power Networks does not support rounding the average historic performance to the nearest five percent as there is minimal variation in annual restoration of supply performance. This assessment is confirmed by the average standard deviation in the eight measures being less than five percent.

SA Power Networks proposes that the historic average performance be rounded to the nearest one percent which results in some targets being lower and higher than those proposed by the Commission. Table 3 below details our proposed restoration of supply targets.

Table 3 - Proposed restoration of supply targets

| | CBD Feeders | Urban Feeders | Rural Short Feeders | Rural Long Feeders |
|---------------------------------|-------------|---------------|---------------------|--------------------|
| Interruption longer than 1 hour | 11% | | | |
| Interruption longer than 2 hour | 4% | 27% | | |
| Interruption longer than 3 hour | | 11% | 27% | |
| Interruption longer than 4 hour | | | | 30% |
| Interruption longer than 5 hour | | | 8% | |
| Interruption longer than 7 hour | | | | 7% |

As we have changed the method for establishing the targets, we have made a minor amendment to the method the Commission used to establish the reporting threshold. We are proposing that three percent be added to the restoration target to determine the associated reporting threshold.

Table 4 - Proposed restoration reporting thresholds

| | CBD Feeders | Urban Feeders | Rural Short Feeders | Rural Long Feeders |
|---------------------------------|-------------|---------------|---------------------|--------------------|
| Interruption longer than 1 hour | 14% | | | |
| Interruption longer than 2 hour | 7% | 30% | | |
| Interruption longer than 3 hour | | 14% | 30% | |
| Interruption longer than 4 hour | | | | 33% |
| Interruption longer than 5 hour | | | 11% | |
| Interruption longer than 7 hour | | | | 10% |

5. PUBLIC LIGHTING FRAMEWORK

5.1 Change in streetlight framework post the Commission’s Final Decision

In its Final Decision, the Commission abandoned its Draft Decision and proposes to not amend the current streetlight out (SLO) guaranteed service level (GSL) payments. However, the Commission indicated that if there were further developments in the Public Lighting area, then it may reevaluate its Final Decision.

Questions for stakeholders

What is your view on whether SA Power Networks’ Public Lighting Service Framework changes the importance of the street light fault repair GSL payment? Do you support the Commission’s position to retain the street light fault repair GSL payment?

Councils and the Department of Planning Transport and Industry (DPTI) are our Public Lighting Customers (PLCs) and are responsible for ensuring that public roads are appropriately illuminated. PLCs can choose to either install their own public lights or to engage SA Power Networks to install them and provide the public lighting service. Where a person reports a SLO for a PLC owned streetlight and the light is not repaired within the prescribed GSL, no payment is made to the person by the PLC. PLCs own about 20% of streetlights.

In the lead up to our 2020-25 Regulatory Control Period (RCP), SA Power Networks developed, in consultation with PLCs, a Public Street lighting tariff agreement (PL Tariff agreement) and public lighting service levels. One of the service levels is to repair 98% of SLOs in five business days (Metropolitan areas) and 10 business days for the remaining areas. The Tariff agreement details the prices PLCs pay for the service levels provided. For the avoidance of doubt, public lighting services are contractually provided to PLCs, not to SA Power Networks’ distribution customers.

SA Power Networks has reviewed the Public Lighting Codes and practices of Victoria, New South Wales and Queensland and compared the major components. That review determined that streetlight lamps are either routinely changed every few years (eg three years which is referred to a bulk change) or night sight patrolled. Typically, night sight patrols are performed on major roads (classified as category V roads) and bulk change and no night sight patrols are undertaken for lighting on minor roads (classified as Category P roads). Consequently, to maintain public lighting service levels, Distributors rely on public reporting of SLOs for lights where the lamps are bulk changed. The repair times for all lights varies between three to 10 business days, with repair times for SLOs with standard fittings in Victoria being seven business days. In South Australia, we have agreed with PLCs that 98% of SLOs must be repaired in five business days.

5.2 Reporting of SLOs

The incentive provided to the public to report SLOs varies from no incentive in Queensland (where there is no GSL payment) to \$25 in Victoria and NSW where only the first person to report the SLO is paid and that person resides at a premises that is adjacent to or illuminated by the streetlight. The most generous (and costly) GSL scheme applies in SA and covers around 80% of streetlights. The GSL regime does not apply to PLC owned streetlights. In SA, any person can report a SLO and payment is reoccurring (eg the payment doubles if a streetlight is not repaired in 10 business days, when the specified repair time is 5 business days).

The very generous GSL scheme that operates in SA has led to people becoming serial SLO reporters, who can earn thousands of dollars a year in streetlight GSL payments. Most SLO payments are associated with issues beyond SA Power Networks control, such as:

- SLO reporters reporting working streetlights to maximise their GSL payments for lights not working. For example, the person who reported the greatest number of SLOs over the last two calendar years (ie 2018 and 2019) reported nearly 1,000 SLOs and 280 of those were actually working when crews attended to repair the light. These erroneous reports create inefficiencies and divert crews from repairing non-working lights. This person was paid almost \$9,000 in GSL payments and cost SA Power Networks nearly \$25,000 to attend working streetlights. This is extremely inefficient and costly.
- Councils refusing permission for SA Power Networks to clear vegetation from around the SLO to enable a single crew to repair the streetlight, or councils taking considerable time to clear vegetation so we can repair the light. For example, a person received \$275 in GSL payments because the council delayed in completing tree clearing to enable us to access the luminaire.
- Asbestos in street light luminaires requires specially trained crews to handle the asbestos and the development of a safe work practice to remove, transport and dispose of the asbestos.
- Cable faults, which require on average 20 business days to repair, incur \$100 in GSL payments for every cable fault.
- Various access issues. For example, public lights in a railway corridor requiring a track protector, alleyway lights requiring scissor lift equipment; DPTI lights requiring traffic management access permits, no access to service pit (eg customer has built a fence over the pit).

The current SLO GSL payment regime drives inappropriate behaviours and introduces inefficiencies and additional costs into the provision of public lighting services. It penalises SA Power Networks for delays in repairing streetlights which are beyond its reasonable control. It is the most expensive SLO GSL regime in Australia, with these costs eventually passed through to PLCs and their ratepayers.

These concerns warrant the amendment of the SLO GSL payments regime. Further, as described above, we have agreed a new service level with PLCs which specifies repair standards and requires detailed reporting to PLCs of our performance against these on a quarterly and annual basis.

The GSL regime was established to provide an inconvenience payment to a ‘customer’ where we have not provided a service within the required period. However, the public lighting service is contractually provided to PLCs not to our distribution customers or the public. Arguably, any SLO GSL payment should go to PLCs, not other individuals.

However, we recognise that the public receive a community benefit from streetlighting and, based on the objective of the GSL regime, we believe the person directly receiving the lighting service (eg resides adjacent to the streetlight) should receive a GSL payment if they report it and it is not repaired within the specified time.

The SLO GSL regime should not be so lucrative to incentivise a person to undertake routine streetlight patrol activities. This can lead to perverse behaviour such as reporting working streetlight as SLOs. Over the last two calendar years 14% of SA Power Networks streetlights were reported as SLOs but were actually working when attended. Attending these working lights cost SA Power Networks in excess of \$600,000, which significantly exceeded the GSL payments made over the same period.

The Commission seems to have the view the current GSL regime should encourage persons to report SLOs as we do not perform regular patrols at night to identify SLOs. We note other distributors do not

perform patrols at night to detect SLOs but still rely on public reporting. Night patrols for SLOs are only performed on major roads. SA Power Networks has, in the past, undertaken night patrols on major roads until DPTI requested we cease the patrols and removed the funding for these patrols.

Three possible options to change the current SLO GSL payment regime include:

- 1) Adopting the Queensland regime where there is no SLO GSL payment;
- 2) Adopting the NSW or Victorian regimes where an SLO GSL payment is only made to the first person who reports the SLO and who resides (or works) adjacent to it (ie it illuminates their premises); or
- 3) An amended version of the current SA GSL payment regime, where either:
 - a) There is no reoccurring SLO GSL payment (ie the maximum SLO GSL payment is capped at \$25 to the first person who reports the SLO); or
 - b) The current scheme is modified to permit SA Power Networks to invoke ‘force majeure’ and ‘stop the GSL clock’ where the failure to repair is not within SA Power Networks’ control (eg clock stopped until council clears vegetation).

We consider that option 3a is the more cost-efficient option and will not consider Option 3b further.

Do most persons who report an SLO only do so because a GSL payment is received? Of the 20,000 persons who reported a SLO in the 2018 and 2019 calendar years, more than 92% did not receive a GSL payment. This indicates that receiving a GSL payment is not the major reason for reporting an SLO. They report it because they want the streetlight working.

Option 1 is the same as the Commission’s Draft Decision and aligns with the regime which applies to PLC owned streetlights (ie 20% of streetlights). This option would not incentivise perverse behaviour such as the public undertaking routine patrols of streetlights as there is no GSL payment.

Option 2 clearly targets the GSL payment at the person who is directly affected by not repairing the streetlight within the defined period. We can independently verify that a customer is directly affected by the SLO through our customer records of their premises address. This option would not be as lucrative to incentivise perverse behaviour such as routine patrols of streetlights as the GSL payment is only made to the first person who reports the SLO and that person must reside (or work) adjacent the streetlight.

Option 3a appreciates that a person can be directly affected by a SLO without the light being adjacent to their premises (eg working location). A single GSL payment (capped at \$25) could be made to the first person who reported the SLO. This option is also unlikely to incentivise perverse behaviour or be lucrative enough to establish a routine patrol of streetlight as there is no reoccurring GSL payment.

SA Power Networks considers that any of these options would significantly reduce the inefficiencies and the costs for providing streetlight services.

6. DETAILED COMMENTS ON PROPOSED EDC AMENDMENTS

6.1 Detailed comments on the amendments to the EDC

Table 5 below details SA Power Networks’ comments on the proposed amendments to the EDC.

Table 5 - Detailed comments on the proposed amendments to the EDC.

| EDC clause | Comment |
|---|--|
| 1.3.1 (h) the obligations owed to customers under contracts (provided that these contractual obligations are not inconsistent with the other obligations outlined in clause 1.3.1). | It should be noted that the NEL, NERL, the associated Regulations, the National Electricity Rules and the National Energy Retail Rules override the local Codes where there are any inconsistencies. |
| high voltage means a voltage of or greater than 1,000 volts | This is not correct, high voltage is defined as a voltage of greater than 1,000. See Table 1 of the Electricity (General) Regulations 2012. |
| Low reliability feeder means a feeder with a USAIDIn twice as high as the target for that region as outlined in this industry code for two consecutive regulatory years | The term ‘target’ is not defined: the regional areas do not have targets like feeder categories. The regional target should be based on 10-year historical average rounded to the nearest 5 minutes. |
| Major Event Day (MED) has the meaning given to that term in the current version of the Institute of Electrical and Electronics Engineers IEEE Standard 1366-2012 | The definition should be linked to how a MED is determined in accordance with our Final Regulatory Determination for the 2020-25 RCP. This would ensure that there is no disjoint between the AER’s STPIS MED and the EDC’s MED. |
| street light fault means an occasion on which a street light has gone out as a result of a fault in the luminaire, which includes the globe, photoelectric cell, and the wiring to the luminaire block. Instances of damage to street lights where the light has not gone out (including but not limited to damaged or missing lighting covers, flickering or dimmed street lights, or damaged poles) are not street light faults | Clarification – normally this definition would exclude underground cable faults which supply the street lighting column. |
| 2.1.1 The distributor must use its best endeavours to achieve the following customer service standards during each and every regulatory year. | The targets are for the end of each and every regulatory year not during the regulatory year. |
| 2.2.1 Network Reliability Standards (a) The distributor must use its best endeavours to achieve the following minimum network reliability standards during each and every regulatory year. | The targets are for the end of each and every regulatory year not during the regulatory year. |

| EDC clause | Comment |
|--|--|
| <p>(b)(iii) For the purpose of calculating when the five or 10 business day period commences the following conditions apply: (A) the business day on which a report is made is day zero (B) a report made on a Saturday, a Sunday or a public holiday will be deemed to occur on the next business day (C) a report made by telephone is deemed to occur on that business day (D) a report made by other means before 4.00 pm is deemed to occur on that business day, and (E) a report made by other means after 4.00 pm is deemed to occur on the next business day.</p> | <p>The close off time for all SLO reports should be 4pm on business days, as then there is no confusing the closing time. Noting that 86% of SLO reports are made by other means (ie via our web site)</p> |
| <p>(b)(c) Minimise frequency and duration of supply interruptions</p> | <p>The Tables where the payment is detailed should be 'Payment (including GST)' not just 'Payment', to align it with the other GSL payments.</p> <p>We agree with the other changes to this clause.</p> |

7. DETAILED COMMENTS ON PROPOSED GUIDELINE No.1 AMENDMENTS

7.1 Detailed comments on the amendments to Guideline No.1

| Guideline No.1 clause | Comments |
|---|--|
| Unplanned System Average Interruption Duration Index (USAIDI) means the total duration of unplanned customer supply interruptions divided by total number of customers | Should be means the total duration of unplanned customer supply interruptions divided by average number of customers supplied over the regulatory year. |
| Unplanned System Average Interruption Duration Index normalised (USAIDIn) has the meaning given to that term in the Electricity Distribution Code | Not effectively defined in the EDC. Should be: means the total duration of unplanned customer supply interruptions (excluding unplanned interruptions commencing on a MED) divided by the average number of customers supplied over the regulatory year. |
| Unplanned System Average Interruption Frequency Index (USAIFI) means the total number of unplanned customer supply interruptions divided by total number of customers | Should be: means the total number of unplanned customer supply interruptions divided by the average number of customers supplied over the regulatory year. |
| Unplanned System Average Interruption Frequency Index normalised (USAIFIn) has the meaning given to that term in the Electricity Distribution Code | Should be: means the total number of unplanned customer supply interruptions (excluding unplanned interruptions that commence on a MED) divided by the average number of customers supplied over the regulatory year. |
| 3.2.3 The information described in 3.2.2 must be: (a) provided on a quarterly and annual basis (b) provided as a report that contains the completed proformas and an explanation of those proformas (as necessary), and (c) accompanied by a spreadsheet that contains detailed supporting data, in a format agreed in writing with the Commission. | Clause (a) should be reworded to “as per the frequency as specified in Chapter 5”. Information is provided, quarterly, six-monthly or annually. We should not have to provide data to enable verification of quarterly results. The costs and extra effort to provide data quarterly has not been justified or reasons given for its provision. We accept detailed data will be provided annually to enable verification. |
| 5.1.3 When indicated, information provided in proformas must be accompanied by a spreadsheet that contains supporting data, in a format agreed in writing with the Commission. | There is no justification provided to support the additional cost of providing spreadsheets on a quarterly basis. These are not currently prepared on a quarterly basis. We can provide supporting and audited data on an annual basis to the Commission. |

| Guideline No.1 clause | Comments |
|-----------------------|---|
| OP.21 | No justification or reasons provided for why we should incur the additional cost of providing individual feeder level data. This information is not currently produced on a quarterly basis. |
| OP 2.3 | No justification or reasons provided for why we should incur the additional cost of providing individual feeder level data. This information is not currently produced on a quarterly basis. |
| OP 2.8 | No justification or reasons provided for why we should incur the additional cost of providing individual feeder level data. This information is not currently produced on a quarterly basis. |
| OP 2.9 | <p>The Network restoration times are not cumulative and consequently there is no benefit in providing this data on a monthly basis. We have previously provided this type of data on an aggregated quarterly basis, which is how this data should be prepared. The target is an annual target and therefore data to verify the result should only be provided annually not quarterly. No justification or reasons given for providing additional data (at higher costs) quarterly.</p> <p>There is considerable additional cost and effort to produce the data on an overall, then excluding generation and transmission outages, and then on a normalised basis.</p> |
| OP 3.4 & OP 3.5 | No justification or reasons provided for including Promptness of new connections GSL payment by region. We don't collect that data by feeder and consequently would be difficult to produce that data by region. |