



# Off-grid Networks' Performance Report for 2016-17

Electricity and Liquefied Petroleum Gas

Executive summary

**Enquiries concerning this Off-Grid Regulatory Performance Report 2016-17 should be addressed to:**

Essential Services Commission  
GPO Box 2605  
ADELAIDE SA 5001

Telephone: (08) 8463 4444  
Freecall: 1800 633 592 (SA and mobiles only)  
E-mail: [escosa@escosa.sa.gov.au](mailto:escosa@escosa.sa.gov.au)

# 1 Executive summary

The Essential Services Commission (**Commission**) is a statutory authority established as an independent economic regulator and advisory body under the Essential Services Commission Act 2002 (**ESC Act**).

The Commission reports annually on energy businesses' performance in delivering essential services to South Australian consumers. It covers the period 1 July 2016 to 30 June 2017.

Many remote locations not connected to the national electricity grid are provided with electricity through off-grid networks. The Commission's licensing and monitoring regime extends to regional areas of South Australia. Distribution and retail licences issued by the Commission authorise these activities and set out conditions for operating in the industry.

The Off-Grid Networks' Performance Report 2016-17 covers electricity and Liquefied Petroleum Gas (**LPG**) distributors and retailers who provide services to customers through standalone systems that are not connected to the National Electricity Market, or the main natural gas pipelines operated by Australian Gas Networks. The Commission regulates these services through the licensing and consumer protection regime under the Electricity Act 1996 (**Electricity Act**) and the Gas Act 1997 (**Gas Act**). There are approximately 5,800 electricity customers and 3,090 LPG customers in South Australia.

Our key observations for 2016-17 are set out below.

## Off-Grid Electricity Networks

- ▶ Disconnections for non-payment increased from 36 in 2015-16 to 75 in 2016-17. Of these 75 disconnections, 72 were reported by the District Council of Cooper Pedy. The reason given for this was an increase in electricity prices and customers' inability to pay. There have been no changes in the disconnection policy.
- ▶ Unplanned supply interruptions increased from 71 in 2015-16 to 176 in 2016-17. The majority of the unplanned interruptions (around 83 percent) were reported in areas operated by Cowell Electric, and were caused by storms, lightning and switching issues. The Commission has reviewed each reported interruption and there do not appear to be any systemic issues or remediation action required.

## LPG Licensees

- ▶ Disconnections for non-payment increased from one in 2015-16 to three in 2016-17.
- ▶ There were no unplanned supply interruptions reported for 2016-17.

The Commission has commenced an Inquiry into the regulatory arrangements for small-scale and off-grid water, electricity and gas service to ensure that the regulatory frameworks it applies is consistent with its primary statutory objective, and is proportionate and responsive to recent and emerging issues. This will include a review of the current performance reporting framework and metrics.

The Commission is currently considering of the issues raised through our public consultation and will release a Draft Report in 2018, for a further period of public consultation. Please refer to the Commission's website for further information.





The Essential Services Commission  
Level 1, 151 Pirie Street Adelaide SA 5000  
GPO Box 2605 Adelaide SA 5001  
T 08 8463 4444

E [escosa@escosa.sa.gov.au](mailto:escosa@escosa.sa.gov.au) | W [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au)