

Australian Gas Networks Jurisdictional Service Standards 2016-2021 – Final Decision – June 2015

The Commission has released its [Final Decision on the jurisdictional service standards to apply to Australian Gas Networks \(AGN\) for the 2016-2021 regulatory period](#).

This review has determined that AGN has performed satisfactorily over the five year period 2009-10 to 2013-14 and that current service levels are appropriate and should be maintained for the 2016-2021 regulatory period.

This decision is supported by participants in AGN's stakeholder engagement program, who were generally satisfied with AGN's gas distribution services and reluctant to pay for improvements to current service levels. High levels of customer satisfaction were further supported by the consistently low number of complaints received by AGN and the low proportion of complaints that required escalation to the Energy and Water Ombudsman SA.

While the review has not suggested that gas leak responsiveness service standards with performance targets are required, AGN has recognised that its customers want more information on how it responds to gas leaks.

Instead of setting binding service standards, the Commission will continue the existing practice of using the regulatory tools of monitoring and publicly reporting on performance outcomes. This will maintain an appropriate public focus on AGN's performance and provide an enhanced data set on which any future standards (if required) can be based.

The Commission has also refined its reporting framework for AGN for the 2016-2021 regulatory period to remove regulatory duplication and clarify the roles and responsibilities of the Commission, the Technical Regulator and the Australian Energy Regulator.

FINAL DECISION

The Commission has introduced new reporting requirements for AGN for the 2016-2021 regulatory period in the following areas:

- **responsiveness to public reports of potential gas leaks** - responsiveness to the initial telephone call, attendance at the site of the reported leak and repair of the leak within an appropriate timeframe for the classification/severity of the individual leak, and
- **customers experiencing poor reliability** - the number of customers experiencing multiple interruptions within a year and/or long duration interruptions.

The revised reporting framework will provide the necessary data to monitor any material changes in current service levels that may require service standards with performance targets in the future.

RESPONSIVENESS TO POTENTIAL GAS LEAKS

Responsiveness of AGN's leaks and emergencies telephone service

Commencing in 2016-17, AGN will be required to report to the Commission on its call centre responsiveness on a quarterly basis against the following metrics:

- total number of telephone calls received on the leaks and emergencies number
- total number (and percentage) of telephone calls to the leaks and emergencies number answered within 30 seconds, and
- average answer time (in seconds) for calls to the leaks and emergencies number.

AGN's performance will be measured against its average historical performance, with AGN required to provide explanations for any material departures from long-term historical averages.

Responsiveness to public reports of gas leaks

Commencing in 2016-17, AGN will be required to report to the Commission on the following performance metrics:

- total number of potential gas leaks reported by the public
- total number of high-priority gas leaks reported by the public¹
- total number of other gas leaks reported by the public²
- percentage of gas leaks repaired within the timeframes specified in AGN's Leakage Management Plan, and
- total number of publicly reported potential gas leaks attended where no leak was found.

AGN's performance will be measured against its average historical performance, with AGN required to provide explanations for any material departures from long-term historical averages.

MONITORING CUSTOMERS EXPERIENCING POOR RELIABILITY

To monitor customers experiencing poor reliability outcomes, AGN will be required to report to the Commission annually on:

- the number of customers experiencing multiple interruptions within a year,³ and
- the number of customers experiencing long duration interruptions.⁴

Any reporting on poor performance needs to take into account that the cause of the interruption may be outside of AGN's control. Accordingly, interruptions caused by transmission faults, upstream events, faults in customers' gas installations or other third party events will be excluded.

¹ Defined as high priority leaks are Class 1 leaks in accordance with AGN's Leakage Management Plan.

² Defined as other leaks are all other leaks reported to AGN where a leak is found but assessed not to be a Class 1 Leak.

GUARANTEED SERVICE LEVEL SCHEME

A Guaranteed Service Level Scheme will not be introduced for the 2016-2021 regulatory period as the costs of such a scheme (which are borne by customers) outweigh the likely benefits at this time. The Commission will monitor the instances of multiple interruptions and long duration interruptions in the network during the period to provide an evidence base for future decisions on this matter.

NEXT STEPS

To give effect to the decisions set out in this Final Decision, the Commission will amend AGN's gas distribution licence, the *Gas Distribution Code* and *Gas Industry Guideline 1* by the end of 2016.

This Final Decision will form an input into the AER's determination of AGN's gas distribution prices for South Australian customers for the 2016-2021 regulatory period. The Commission's reporting requirements under this Final Decision should not have a material cost impact for AGN.

FURTHER INFORMATION

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If you would like to keep up to date with our gas industry activities and the release of papers for consultation, subscribe at <http://www.escosa.sa.gov.au/subscribe.aspx>

³ Defined as the number of customers that have two or more interruptions within a year where the interruption is unplanned and caused by operator actions, third party damage or asset condition.

⁴ The number of events within a year where a gas supply interruption is not restored within 12 hours and the interruption is unplanned, caused by operator actions, third party damage or asset condition.



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