

The Hon Patrick Conlon MP  
Member for Elder



Government  
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Dr Patrick Walsh  
Chairperson  
Essential Services Commission of South Australia  
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Dear Dr Walsh

The following comments are provided in response to your Issues Paper associated with the 'Inquiry into ETSA Utilities Network Performance and Customer Response' during the heatwave conditions experienced in South Australia from 19 to 22 January 2006.

The Government established the Essential Services Commission of South Australia (ESCOSA) with a primary objective to protect the long term interests of South Australian consumers with respect to price, quality and reliability of essential services.

The Government is extremely disappointed with ETSA Utilities' unacceptable level of customer service during the heatwave period of 19 to 22 January 2006. The Government is concerned about the detrimental effects of power outages on the community and takes seriously the concerns of those electricity customers who suffer long blackouts and experience delays in receiving information from ETSA during extended power outages.

As highlighted in the Issues Paper, approximately 63,000 customers were affected by power outages, with around 1,000 customers experiencing prolonged interruptions in excess of twelve hours.

It is of particular concern that at the time of maximum peak demand (2,938 megawatts on Friday 20 January 2006), the Electricity Supply Industry Planning Council have indicated that there were 400 to 500 MW of spare generation capacity in the power system, so that there was sufficient electricity and all customers could have been supplied. The Government and NEMMCO acted prudently to institute reserve trader arrangements to ensure that sufficient supply capacity was available for this summer, yet, due to failings in the distribution system, this power was not able to be delivered to consumers when it was needed most.

I can confirm that many angry consumers have contacted the Government expressing their extreme suffering and severe discomfort as a result of the power outages during the very high temperature conditions. In addition to the spoilage of food and goods, I am particularly disturbed that the health and safety of the affected customers may have been compromised as a result of ETSA Utilities' poor level of customer service during the power outages.

It seems clear that organisationally, the preparedness of ETSA Utilities for such an event was less than adequate, from the level of staffing available through to the unacceptable supply restoration times in both the metropolitan and country areas.

The performance of ETSA Utilities call centre during the heatwave event was totally unacceptable. Of particular concern was the inability of call centre staff to provide advice or a status report of precise or estimated restoration times, despite many customers' repeated telephone inquiries. In addition, I am perturbed that in many instances call centre staff were unaware of locations and suburbs in Adelaide and surrounding regions, from which customers were reporting their power outages.

In summary, given the vital role of the distribution system in delivering power to consumers in South Australia, ways need to be found that ensure ETSA will improve its performance during high demand and/or severe weather situations.

Specifically, ESCOSA should ensure that in making its recommendations, strong regard is given to the need to better protect South Australian consumer interests as required by the primary objective under the *Essential Services Commission Act 2002*. I suggest this may include providing for appropriate incentives and penalties, through, if appropriate, changes to the regulatory framework under which the operator of the South Australian electricity distribution network, ETSA Utilities, must comply.

Yours sincerely



**HON PATRICK CONLON MP  
MINISTER FOR ENERGY**

17 February 2006