



Guideline

Guaranteed Service Level (GSL) Scheme

July 2012

Version 3

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GLOSSARY

<i>Code</i>	means the <i>Tasmanian Electricity Code</i> issued pursuant to the <i>ESI Act</i>
<i>Critical Infrastructure</i>	means one of the <i>supply reliability categories</i>
<i>curtilage</i>	means all the area and buildings of a property <i>supplied</i> by a single <i>distribution line</i>
<i>Customer</i>	means a person who engages in the activity of purchasing electricity <i>supplied</i> through the <i>distribution system</i>
<i>customer installation fault</i>	means a fault caused by the failure of the <i>Customer's</i> service fuse for no apparent reason or due to overloaded circuits
<i>distribution</i>	has the same meaning as in the <i>ESI Act</i>
<i>distribution line</i>	has the same meaning as in the <i>Code</i>
<i>distribution network</i>	has the same meaning as in the <i>ESI Act</i>
<i>distribution system</i>	has the same meaning as in the <i>Code</i>
<i>Distributor</i>	means a holder of a licence issued pursuant to the <i>ESI Act</i> , authorising the licensee to carry on the operation of <i>distribution</i> of electricity in Tasmania
<i>disconnection</i>	has the same meaning as in the <i>Code</i>
<i>electrical installation</i>	has the same meaning as in the <i>Code</i>
<i>electricity supply industry</i>	has the same meaning as in the <i>ESI Act</i>
<i>Energy Ombudsman</i>	means the Ombudsman established under the <i>Energy Ombudsman Act 1998</i>
<i>ESI Act</i>	means the <i>Electricity Supply Industry Act 1995</i>
<i>exempted outage</i>	means: <ul style="list-style-type: none"> (a) an <i>outage</i> approved by the <i>Regulator</i> on application from a <i>Distributor</i> in relation to: <ul style="list-style-type: none"> • <i>load shedding</i> due to a short fall in generation capacity; or • an emergency restriction order made by the Minister

	<p>under section 67 of the <i>ESI Act</i>; or</p> <ul style="list-style-type: none"> • widespread <i>interruptions to supply</i> due to <i>rare events</i>; <p>(b) a planned <i>outage</i> requested by a <i>Customer</i>;</p> <p>(c) an <i>outage</i> caused by <i>customer installation faults</i>;</p> <p>(d) an <i>outage</i> affecting the <i>Customer's electrical installation</i> that receives <i>supply</i> of electricity as a <i>type 7 metering installation</i>;</p> <p>(e) an <i>outage</i> for the reason of testing and/or maintenance of service wires, service fuses and meters; or</p> <p>(f) an <i>outage</i> arisen from <i>disconnection</i>:</p> <ul style="list-style-type: none"> • under section 42 of the <i>ESI Act</i> because of a <i>Customer's</i> failure to pay the relevant electricity account; or • for reasons of safety under section 66, 67 or 70 of the <i>Electricity Industry Safety and Administration Act 1997</i>; or • under section 22 (b) to (e) of the <i>Electricity Supply Industry (Tariff Customers) Regulations 1998</i>; or • under section 90 of the <i>ESI Act</i> because of electricity having been <i>supplied</i> or consumed in contravention to the <i>ESI Act</i>.
<i>frequency of outages GSL payment</i>	means a payment made under clause 3.1.1 of this Guideline
<i>GSL payment</i>	means a <i>frequency of outages GSL payment</i> or a <i>single outage duration GSL payment</i>
<i>Higher Density Commercial</i>	means one of the <i>supply reliability categories</i>
<i>Higher Density Rural</i>	means one of the <i>supply reliability categories</i>
<i>interruption</i>	means the temporary unavailability of <i>supply</i> from the <i>distribution network</i> to a <i>Customer</i> , but does not include <i>disconnection</i>
<i>load shedding</i>	means reducing or disconnecting load from the <i>power system</i>
<i>Lower Density Rural</i>	means one of the <i>supply reliability categories</i>

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<i>National Electricity Rules</i>	has the same meaning as in the <i>ESI Act</i>
<i>outage</i>	means an <i>interruption</i> to the electricity <i>supply</i> of an <i>electrical installation</i> for a period greater than one (1) minute in duration and includes all network operations associated with restoration of electricity <i>supply</i>
<i>power system</i>	has the same meaning as in the <i>Code</i>
<i>rare events</i>	means any <i>outages</i> of such a scale that in the opinion of the <i>Regulator</i> , the <i>Distributor</i> is not reasonably able to mitigate against
<i>Regulator</i>	has the same meaning as in the <i>ESI Act</i>
<i>reliability</i>	has the same meaning as in the <i>Code</i>
<i>Retailer</i>	means a holder of a national retail authorisation granted by the Australian Energy Regulator.
<i>single outage duration GSL payment</i>	means a payment made under clause 3.1.3 of this Guideline
<i>supply</i>	has the same meaning as in the <i>ESI Act</i>
<i>supply reliability area/areas</i>	has the same meaning as in the <i>Code</i>
<i>supply reliability category/categories</i>	has the same meaning as in the <i>Code</i>
<i>type 7 metering installation</i>	has the same meaning as in the <i>National Electricity Rules</i>
<i>Urban</i>	means one of the <i>supply reliability categories</i>

1 INTRODUCTION

1.1 In order that *Customers* receive an improved and consistent level of network reliability performance over time, it is necessary to provide incentives to *Distributors* to ensure that performance improvement expenditure is targeted at *Customers* receiving poorer levels of network performance.

To ensure *Customers* receive a minimum level of *power system reliability* performance, a minimum level of performance has been established for:

- the number of power *outages* in a set time period that *Customers* experience at their *electrical installation*; and
- the length of time that the power to a *Customer's electrical installation* is *interrupted*.

1.2 This Guideline provides guidance to *Distributors* for the Guaranteed Service Level payment (*GSL payment*) to be made to an eligible *Customer* in regard to electricity *supply* on mainland Tasmania. Eligible *Customers* are entitled to a *GSL payment* when they do not receive the relevant guaranteed level of *distribution* service.

1.3 This Guideline does not preclude a *Distributor* from committing to a higher standard of service or payments.

1.4 This Guideline may be reviewed by the *Regulator* after consultation with relevant interested parties.

1.5 This Guideline (version 3) takes effect from **1 July 2012**.

2 DEFINITIONS AND INTERPRETATION

In this Guideline:

- Words and phrases presented in italic font are defined in the Glossary; and
- Where words and phrases are not defined in the Glossary, they shall have the meaning given to them by the *ESI Act*, the *Code* or any other relevant legislative or regulatory document.

3 GUARANTEED SERVICE LEVEL SCHEME

3.1 GSL Payments

Frequency of Outages GSL Payments

3.1.1 Subject to clause 3.2, a *Distributor* is to make a *frequency of outages GSL payment* as set out in Table 1, to a *Customer* directly (or through the *Customer's Retailer*¹) if in any rolling 12 month period the number of *outages*, excluding *exempted outages*, affecting the *Customer's electrical installation* reaches the relevant threshold for the category in which the *Customer's electrical installation* is located.

3.1.2 For the purposes of 3.1.1, a *Customer* becomes entitled to a *frequency of outages GSL payment* when the number of *outages*, excluding *exempted outages*, reaches the relevant threshold. After the relevant threshold has been reached, the number of *outages*, for the purposes of calculating the relevant threshold, is 'reset' to zero.

Table 1: Frequency of Outages GSL Payments

Category	Threshold
<i>Urban, High Density Commercial, Critical Infrastructure</i>	10
<i>Higher Density Rural</i>	13
<i>Lower Density Rural</i>	16
Frequency of Outage GSL Payment	\$80

Single Outage Duration GSL Payments

3.1.3 Subject to clause 3.2, a *Distributor* is to make a *single outage duration GSL payment* at the higher applicable rate as set out in Table 2, to a *Customer* directly (or through the *Customer's Retailer*²) if the duration of a single *outage*, excluding *exempted outages*, affecting the *Customer's electrical installation* exceeds the relevant threshold for the category in which the *Customer's electrical installation* is located.

Table 2: Single Outage Duration GSL Payments

Category	Threshold (hours)	
<i>Urban, High Density Commercial, Critical Infrastructure</i>	8	16
<i>Higher Density Rural</i>	8	16
<i>Lower Density Rural</i>	12	24
Single Outage Duration GSL Payment	\$80	\$160

¹ Only if an agreement exists that provides for the *Retailer* to pass on the *GSL payment* to the *Customer* on behalf of the *Distributor*.

² Only if an agreement exists that provides for the *Retailer* to pass on the *GSL payment* to the *Customer* on behalf of the *Distributor*.

3.2 Restrictions on Payments

- 3.2.1 A *Customer* is eligible to only one *GSL payment* for an *outage* affecting the *Customer's electrical installation* that receives *supply* of electricity under a *curtilage* arrangement.
- 3.2.2 A *Customer* is not eligible to receive a *single outage duration GSL payment* for an unplanned *outage* which is not restored within the time as set out in Table 2 by reason of a request by the *Customer*. This refers to the situation where an unplanned *outage* occurs and the *Customer* takes advantage of the situation to, for example, do some maintenance work and requests that the *outage* not be restored until some specific time later. While the unplanned *outage* is still 'an *outage*' for the purpose of the *frequency of outages GSL payment*, there is a restriction on the *single outage duration GSL payment* if the relevant threshold is exceeded due to the *Customer's* request.

3.3 Time for Payments

- 3.3.1 If the *Distributor* pays a *GSL payment* directly to a *Customer*, the *Distributor* is to make the payment as soon as practicable after the obligation arises. The *GSL payment* is to be made to the *Customer* where practicable at the *Customer's* billing address for retail sale, but otherwise at the address where the *Customer's electrical installation* is located.
- 3.3.2 If the *Distributor* pays a *GSL payment* to a *Customer* through the *Customer's Retailer*³, the *Distributor* is, as soon as practicable, to:
- notify the *Customer* where practicable at the *Customer's* billing address for retail sale, but otherwise at the address where the *Customer's electrical installation* is located, that the *Customer* is entitled to the *GSL payment* which will be made through the *Customer's Retailer*; and
 - make the *GSL payment* to the *Retailer*.
- 3.3.3 The *Distributor* must ensure that any agreement between the *Distributor* and a *Retailer* for the *Retailer* to pass on a *GSL payment* to the *Customer* on behalf of the *Distributor* must contain the condition that, after receiving the *GSL payment* from the *Distributor* under clause 3.3.2:

³ Only if an agreement exists that provides for the *Retailer* to pass on the *GSL payment* to the *Customer* on behalf of the *Distributor*.

- the *Retailer* must pay the *GSL payment* to the *Customer* as soon as practicable; and
- the *Retailer* must not use the *GSL payment* to offset any amounts that the *Customer* owes the *Retailer* without the *Customer's* consent.

3.3.4 If the *Distributor* is aware that the *Retailer* which has an agreement as referred to in clause 3.3.3:

- fails to pay the *GSL payment* to the *Customer* as soon as practicable; or
- uses the *GSL payment* to offset any amounts that the *Customer* owes the *Retailer* without the *Customer's* consent,

the *Distributor* must, within 5 business days, pay the *GSL payment* directly to the *Customer* in accordance with the method as set out in clause 3.3.1.

3.4 Supply Reliability Areas and Categories

3.4.1 The maps defining the *supply reliability areas* and *supply reliability categories* are published on the *Regulator's* website: www.economicregulator.tas.gov.au.

3.4.2 On request from a *Customer*, the *Distributor* is to inform the *Customer* of the *supply reliability category* of the *Customer's electricity installation*.