



## Guideline

# Guaranteed Service Level (GSL) Scheme

July 2024

Version 4

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## GLOSSARY

|                                    |  |
|------------------------------------|--|
| <i>AER</i>                         | has the same meaning as in the <i>Code</i>   |
| <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>ESI Act</i>                     | means the <i>Electricity Supply Industry Act 1995</i>  |
| <i>exempted outage</i>             | means: <ul style="list-style-type: none"> <li>(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"> <li>• <i>load shedding</i> due to a short fall in generation capacity; or</li> </ul> </li> </ul> |

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|   | <ul style="list-style-type: none"> <li>• an emergency restriction order made by the Minister under section 67 of the <i>ESI Act</i>; or</li> <li>• widespread <i>interruptions to supply</i> due to <i>rare events</i>;</li> </ul> <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"> <li>• under section 42 of the <i>ESI Act</i> because of a <i>Customer's</i> failure to pay the relevant electricity account; or</li> <li>• for reasons of safety under section 66, 67 or 70 of the <i>Electricity Industry Safety and Administration Act 1997</i>; or</li> <li>• 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>.</li> </ul> |
| <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>High Density Commercial</i>          | means one of the <i>supply reliability categories</i>  |
| <i>High 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>  |

|   |  |
|---|--|
| <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>Regulatory control period</i>              | means the timeframe during which the <i>Distributor</i> operates under regulatory oversight and guidelines set by the <i>AER</i> (generally, a period of five years).  |
| <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 and Regional Centres</i>             | means one of the <i>supply reliability categories</i>  |
| <i>writing</i>                                | includes any mode of representing or reproducing words, figures, drawings or symbols in a visible form   |

## 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 4) takes effect from **1 July 2024**.

## 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*<sup>1</sup>) 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 and Regional Centres, High Density Commercial, Critical Infrastructure</i> | 10          |
| <i>High Density Rural</i>   | 13          |
| <i>Lower Density Rural</i>  | 16          |
| <b>Frequency of Outage GSL Payment</b>  | <b>\$80</b> |

##### 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*<sup>2</sup>) 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 and Regional Centres, High Density Commercial, Critical Infrastructure</i> | 8                 | 16           |
| <i>High Density Rural</i>   | 8                 | 16           |
| <i>Lower Density Rural</i>  | 12                | 24           |
| <b>Single Outage Duration GSL Payment</b>   | <b>\$80</b>       | <b>\$160</b> |

<sup>1</sup> Only if an agreement between the *Distributor* and the *Retailer* exists that provides for the *Retailer* to pass on the *GSL payment* to the *Customer* on behalf of the *Distributor*.

<sup>2</sup> Only if an agreement between the *Distributor* and the *Retailer* exists that provides for the *Retailer* to pass on the *GSL payment* to the *Customer* on behalf of the *Distributor*.



## Retailer passing on GSL Payments

- 3.1.4 If the *Distributor* pays a *GSL payment* to a *Customer* through the *Customer's Retailer*<sup>3</sup>, the *Retailer* may recover reasonable costs from the *Distributor* for doing so.
- 3.1.5 For the purposes of clause 3.1.4, reasonable costs means an amount to be decided upon and agreed to by the *Distributor* and the *Retailer*.

## 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, or by any other method agreed to by the *Customer*. The *Distributor* must also notify the *Customer* in *writing* that the *Customer* is entitled to the *GSL payment*.
- 3.3.2 If the *Distributor* pays a *GSL payment* to a *Customer* through the *Customer's Retailer*<sup>3</sup>, the *Distributor* is, as soon as practicable, to:
- notify the *Customer* in *writing* 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*, together with any reasonable costs provided for in clause 3.1.4.

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<sup>3</sup> Only if an agreement between the *Distributor* and the *Retailer* exists that provides for the *Retailer* to pass on the *GSL payment* to the *Customer* on behalf of the *Distributor*.

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:

- the *Retailer* may use the *GSL payment* to offset any amounts that the *Customer* owes the *Retailer* without the *Customer's* consent; or
- the *Retailer* must pay the *GSL payment* to the *Customer* by any method agreed to by the *Customer* as soon as practicable.

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:

- offset a *GSL payment* against any amounts that the *Customer* owes the *Retailer*; or
- pay the *GSL payment* to the *Customer* as soon as practicable -

the *Distributor* must, as soon as practicable, 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](http://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.

## 3.5 Review Mechanism

3.5.1 The *Regulator* must, in conjunction with the *Distributor*, complete a review of the relevant thresholds for *frequency of outages GSL payments* and *single outage duration GSL payments*, the value of the relevant *GSL payments*, and the methodology for determining the *supply reliability category* boundaries, no later than nine months prior to the start of a new *regulatory control period* for the *Distributor*.

3.5.2 Revision of the *supply reliability category* boundaries may occur more frequently than that as required under clause 3.5.1 as determined necessary and as initiated by the *Regulator* at the request of the *Distributor*, or by the *Regulator* on its own initiative.