

APPENDIX 9

Distribution authority

Electricity Act 1994



QUEENSLAND GOVERNMENT

**DISTRIBUTION
AUTHORITY**

No. D07/98

issued to

**ENERGEX
LIMITED**

Department of Energy and Water Supply

*Originally issued on 1 April 1998
Amended on 29 September 2004
and on the date shown
on page 13 herein*

1. Definitions

1.1 Unless the contrary appears, words used in this distribution authority have the meaning given in the Act, the Regulation and the NER.

1.2 In this distribution authority—

“the Act” means the *Electricity Act 1994*;

“AEMO” means the Australian Energy Market Operator;

“CBD feeder” means a feeder supplying predominantly commercial high-rise buildings, supplied by a predominantly underground supply network containing significant interconnection and redundancy when compared to urban areas;

“customer” has the meaning in the Act;

“distribution authority” means authority No. D07/98 held by ENERGEX Limited;

“distribution entity” has the meaning in the Act;

“Distribution Annual Planning Report” has the meaning in the NER;

“electrical installation” has the meaning in the Act;

“financial year” means a year commencing 1 July and ending 30 June;

“interruption” means any temporary unavailability of electricity supply to a customer associated with an outage of the supply network including outages affecting a single premises, but does not include disconnection;

“kV” means kilovolt;

“major event day” means a day as identified by using the 2.5 Beta method published by the Institute of Electrical and Electronics Engineers (IEEE) in ANSI Std. 1366-2003 “IEEE Guide for Electric Power Distribution Reliability Indices”;

“MSS” means minimum service standards;

“NEL” means National Electricity Law;

“NER” means National Electricity Rules;

“N-1 Event” means a credible single contingency involving an outage of a single system element (for example, transformer or feeder);

“power system security and reliability standards” has the meaning in the NER;

“premises” has the meaning in the Act;

“quarter” means a period of three months commencing 1 January, 1 April, 1 July and 1 October as the case may be;

“the Regulation” means the *Electricity Regulation 2006* and any other regulation made under the Act;

“SAIDI” means System Average Interruption Duration Index;

“SAIFI” means System Average Interruption Frequency Index;

“short rural feeder” means a feeder which is not an urban feeder or CBD feeder;

“sub-transmission” means the 132kV, 110kV and 33kV parts of the supply network;

“supply network” has the meaning in the Act;

“system operator” has the meaning in the NER;

“transmission grid” has the meaning in the Act;

“urban feeder” means a feeder which is not a rural feeder or CBD feeder and has an annual actual maximum demand per total feeder route length of greater than 0.3 MVA/km;

“50 POE Load” means an estimate of demand for the network that has a 50% probability of exceedance (POE) in any one year; and

a reference to an Act, regulation or other document is a reference to that Act, regulation or document as amended from time to time.

[as amended on the date shown on page 13 herein]

2. Issue of Distribution Authority

The Regulator, under section 296(1) of the Act, issues this distribution authority to **ENERGEX Limited (ACN 078 849 055)** (the “**distribution entity**”), of 26 Reddacliff Street, Newstead, Queensland, to supply electricity using its supply network within its distribution area stated in Schedule 1.

[as amended on the date shown on page 13 herein]

3. Conditions of Distribution Authority

Clauses 4 to 17 (both inclusive) herein are conditions of this distribution authority.

[as amended on 29 September 2004 and on the date shown on page 13 herein]

4. Term

4.1 This distribution authority commences on 1 April 1998.

4.2 Unless earlier cancelled, suspended, terminated or surrendered under the Act or clause 4.3, this distribution authority expires on 31 December 2037.

4.3 If the distribution entity and the Regulator at any time agree in writing to its termination, this distribution authority terminates on a date stated in the agreement.

[as amended on the date shown on page 13 herein]

5. Compliance with Laws

The distribution entity must at all times comply with the Act, the Regulation and other applicable laws.

6. Protocols, Standards and Codes

The distribution entity, on the written notice of the Regulator, must participate to the extent reasonably required by the Regulator in the development, issue and review of Protocols, Standards and Codes applicable to the distribution entity.

7. Guaranteed Service Levels

- 7.1 The distribution entity must comply with the guaranteed service levels regime notified by the Regulator, from time to time, under this clause.
- 7.2 A guaranteed service levels regime may include:
- (a) guaranteed service levels to be complied with by the distribution entity for:
 - (i) reliability of supply;
 - (ii) customer service related matters; and
 - (iii) such other matters required by the Regulator;
 - (b) the class of customers, events or matters to which a guaranteed service level applies and any limitations or exceptions to its application;
 - (c) the period for which a guaranteed service level applies;
 - (d) a scale of rebates payable to a customer if a guaranteed service level is contravened, which may specify:
 - (i) categories of contraventions;
 - (ii) a dollar amount to be rebated for contraventions covered by each of those categories;
 - (iii) any caps on rebates payable for contraventions;
 - (iv) when a customer is entitled to a rebate;
 - (v) whether the onus is on the distribution entity to identify customers to whom a rebate is owed and arrange payment automatically to that customer or on a customer to claim a rebate; and
 - (vi) the way in which a rebate is to be paid;
 - (e) how the regime, or changes to the regime, are to be notified to customers; and
 - (f) such other matters required by the Regulator.

- 7.3 The Regulator may, from time to time, by written notice to the distribution entity amend the guaranteed service levels regime.
- 7.4 A notice by the Regulator must state from when a guaranteed service levels regime, or an amendment to the regime, takes effect (which may not be earlier than the date of the notice).
- 7.5 Before giving a notice to the distribution entity under this clause, the Regulator will consult with the distribution entity on a guaranteed service levels regime or any amendment to it, including the timeframe for implementation.
- 7.6 If a retail entity pays a rebate to a customer for contravention of a guaranteed service level and the contravention is wholly or partially attributable to one or more acts or omissions of the distribution entity, then the distribution entity must pay to the retail entity:
- (a) if the contribution is wholly attributable to the acts or omissions of the distribution entity – an amount equal to the rebate paid by the retail entity; or
 - (b) if the contribution is partly attributable to the acts or omissions of the distribution entity – such amount (not exceeding the amount of the rebate) as the distribution entity and retail entity agree or failing agreement as determined by the Regulator.
- 7.7 The distribution entity must:
- (a) promptly enter into (and amend as necessary) an agreement with relevant retail entities relating to the implementation and management of a guaranteed service levels regime, which agreement must include management of customer enquiries and claims, identification of customers to whom rebates are due, how rebates will be paid to customers and the rights of contribution in clause 7.6; and
 - (b) co-operate with relevant retail entities in respect of the operation of a guaranteed service levels regime.
- 7.8 The distribution entity must publish details of any guaranteed service levels regime prominently on its website and, on request by a customer, provide the customer with a copy.

8. Distribution Network Planning

- 8.1 Subject to clauses 9 Minimum Service Standard, 10 Safety Net and 11 Improvement Programs of this authority and any other regulatory requirements, the distribution entity must plan and develop its supply network in accordance with good electricity industry practice, having regard to the value that end users of electricity place on the quality and reliability of electricity services.

[as inserted on the date shown on page 13 herein]

9. Minimum Service Standards

9.1 Purpose

- (a) The purpose of the minimum service standards (MSS) is to provide a standard against which the distribution entity's performance, by feeder type, will be assessed across its supply network; and
- (b) The MSS do not constitute standards which are enforceable against the distribution entity by individual customers.

9.2 MSS

- (a) Subject to clause 9.3, the distribution entity must use all reasonable endeavours to ensure that it does not exceed in a financial year the following MSS:
 - (i) SAIDI limits; and
 - (ii) SAIFI limits,applicable to its feeder types set out in the table in Schedule 2.
- (b) Exceedance of the same MSS limit (i.e. SAIDI limit or SAIFI limit), three financial years in a row is considered a "systemic failure" and constitutes a breach of the distribution authority.

9.3 Exclusions for MSS

In determining whether the distribution entity has exceeded its SAIDI limits or SAIFI limits, the following interruptions will not be taken into account:

- (a) an interruption of a duration of one minute or less;
- (b) an interruption resulting from:
 - (i) load shedding due to a shortfall in generation;
 - (ii) a direction by AEMO, a system operator or any other body exercising a similar function under the Act, the NER or the NEL;
 - (iii) automatic shedding of load under the control of under-frequency relays following the occurrence of a power system under-frequency condition described in the power system security and reliability standards;
 - (iv) a failure of the shared transmission grid; or
 - (v) a direction by a police officer or another authorised person exercising powers in relation to public safety;
- (c) any interruption to the supply of electricity on the distribution entity's supply network which commences on a major event day; and
- (d) an interruption caused by a customer's electrical installation or failure of that electrical installation.

[as inserted on the date shown on page 13 herein]

10. Safety Net

10.1 Purpose

The purpose of the service safety net, applicable from 1 July 2014 onwards, is to seek to effectively mitigate the risk of low probability – high consequence network outages to avoid unexpected customer hardship and/or significant community or economic disruption.

10.2 Safety Net Targets

- (a) The distribution entity will design, plan and operate its supply network to ensure, to the extent reasonably practicable, that it achieves its safety net targets as specified in Schedule 3.

- (b) From 1 July 2014 onwards, the distribution entity will, as part of its Distribution Annual Planning Report, monitor and report on the measures taken to achieve its safety net targets.
- (c) From 1 July 2015 onwards, the distribution entity will, as part of its Distribution Annual Planning Report, monitor and report on its performance against its safety net targets.

10.3 Exclusions for Safety Net

In determining whether the distribution entity has achieved its safety net targets, the following interruptions will not be taken into account:

- (a) an interruption resulting from:
 - (i) load shedding due to a shortfall in generation;
 - (ii) a direction by AEMO, a system operator or any other body exercising a similar function under the Act, the NER or the NEL;
 - (iii) automatic shedding of load under the control of under-frequency relays following the occurrence of a power system under-frequency condition described in the power system security and reliability standards;
 - (iv) a failure of the shared transmission grid; or
 - (v) a direction by a police officer or another authorised person exercising powers in relation to public safety;
- (b) any interruption to the supply of electricity on the distribution entity's supply network which commences on a major event day; and
- (c) an interruption caused by a customer's electrical installation or failure of that electrical installation.

[as inserted on the date on page 13 herein]

11. Improvement Programs

11.1 Purpose

The purpose of the improvement programs are to enable customers with the worst reliability outcomes to benefit from tailored network improvements.

11.2 Requirements

- (a) From 1 July 2014 onwards, the distribution entity will, as part of its Distribution Annual Planning Report, monitor and report on the reliability of the distribution entity's worst performing 11kV feeders;
- (b) The distribution entity will implement a program to improve the reliability on the worst performing 11kV feeders based on the criteria set out in Clause 11.2(c); and
- (c) The worst performing 11kV feeder program will apply to any 11kV feeder which meets the following criteria:
 - (i) The 11kV feeder is in the worst 10% of the network's 11kV feeders based on its three year average SAIDI/SAIFI performance; and
 - (ii) The 11kV feeder's SAIDI/SAIFI outcome is 150% or more of the MSS SAIDI/SAIFI limit applicable to that category of 11kV feeder.

[as inserted on the date shown on page 13 herein]

12. Audit

12.1 The Regulator may:

- (a) require the distribution entity to arrange an independent or internal audit; or
- (b) itself appoint independent auditors to undertake an audit,

in respect of:
- (c) the distribution entity's compliance with obligations under the Act, Regulation, other applicable laws and this authority; and

- (d) the reliability and quality of information reported by the distribution entity to the Regulator, and the consistency of that information with the Regulator's specification.
- 12.2 The distribution entity must co-operate with any independent auditors appointed by the Regulator in the conduct of the audit.
- 12.3 If required by the Regulator, the distribution entity must pay the costs of any independent auditor appointed by the Regulator.
- 12.4 If the Regulator appoints an independent auditor, then the distribution entity will be given:
 - (a) an opportunity to make representations to the Regulator before the independent auditor delivers its final report to the Regulator; and
 - (b) a copy of the final report and an opportunity to make further representations to the Regulator on that report.
- 12.5 If the distribution entity is required to arrange an independent or internal audit under this clause, then the distribution entity must promptly give a report to the Regulator after the audit is completed.

[as inserted on 29 September 2004]

13. Information

- 13.1 The distribution entity must provide:
 - (a) the Regulator with any information the Regulator requests relating to the distribution entity's activities conducted under or in connection with this authority; and
 - (b) the QCA with any information the QCA requests relating to the distribution entity's activities conducted under or in connection with this authority.
- 13.2 Information requested under clause 13.1 must be provided by the distribution entity as soon as possible but in any case by no later than a reasonable date specified in the request.
- 13.3 The distribution entity must give the Regulator and QCA authorisation to disclose to each other written information that they receive from the distribution entity provided that the disclosure relates to written information which the Regulator or the QCA (as the case may be)

reasonably considers to be relevant to the duties and functions of the other party.

[as amended on 29 September 2004]

14. Periodic Reports and Plans

- 14.1 The distribution entity must submit an annual report as directed by the Regulator on its operations by 31 October each year, or such other date approved by the Regulator.
- 14.2 From 1 July 2014 onwards and within two months of the end of each quarter, the distribution entity must submit a report to the Regulator detailing the following for the preceding quarter and for the financial year to the end of that quarter:
 - (a) Compliance with MSS as outlined under clause 9, including the information specified in Schedule 4; and
 - (b) Such other reports or plans as reasonably required by the Regulator in respect of MSS from time to time.
- 14.3 From 1 July 2014 onwards, the distribution entity must report in its Distribution Annual Planning Reports on the implementation of its Distribution Network Planning approach under clause 8 Distribution Network Planning.
- 14.4 If the Regulator notifies the distribution entity of matters that are to be included in a report or plan, the distribution entity must include those matters in the report or plan.
- 14.5 The distribution entity must conduct its affairs and fulfil its responsibilities under the Act, Regulation, other applicable laws and this authority in accordance with any relevant plan prepared and submitted to the Regulator under this clause.

[as amended on 29 September 2004 and on the date shown on page 13 herein]

15. Distribution Authority Fees

- 15.1 The distribution entity must pay, as directed by the Regulator, the annual fees notified in writing by the Regulator.

- 15.2 The distribution entity must pay, as directed by the Regulator, the fees (if any) notified in writing by the Regulator, imposed in relation to any applicable consumer protection scheme established under the Act.

16. Publishing of Distribution Authority

The Regulator may publicly disclose this distribution authority which may include publishing a copy of it on the Regulator's website.

[as inserted on 29 September 2004]

17. Giving of Notices

A notice required to be given under the Act, Regulation or this authority by the distribution entity to the Regulator, or by the Regulator to the distribution entity, must be in writing and is taken to be received:

- (a) if sent by post, within 3 business days of being sent;
- (b) if sent by facsimile transmission, at 9:00 AM on the next business day after the sender's facsimile machine issues a transmission report confirming that the facsimile was successfully sent to the recipient's facsimile machine; and
- (c) if sent by e-mail, at 9.00am on the next business day.

[as amended on the date shown on page 13 herein]

Dated this 30th day of June 2014.



Alan Millis
General Manager, Energy Supply and Regulation
Department of Energy and Water Supply
(Delegate of the Regulator under the *Electricity Act 1994*)

SCHEDULE 1**Distribution Area of ENERGEX Limited**

The Cities of Brisbane, Caloundra, Gold Coast, Ipswich, Logan and Redcliffe, the whole of the Shires of Beaudesert, Caboolture, Kilcoy, Laidley, Maroochy, Noosa, Pine Rivers and Redland, and parts of the Shires of Boonah, Cooloola, Crows Nest, Esk, Gatton, Kilkivan and Tiaro, as delineated on Map ELEC/SEQ001 held by the Department of Energy and Water Supply¹.

¹ The map is available for inspection at the Department's office at Level 3, 41 George Street, Brisbane.

SCHEDULE 2

Reliability Limits

1. SAIDI limits (minutes per customer)

Feeder Type	2014/15	2015/16	2016/17	2017/18	2018/2019	2019/2020
CBD	15	15	15	15	15	15
Urban	106	106	106	106	106	106
Short Rural	218	218	218	218	218	218

2. SAIFI limits (interruptions per customer)

Feeder Type	2014/15	2015/16	2016/17	2017/18	2018/2019	2019/2020
CBD	0.15	0.15	0.15	0.15	0.15	0.15
Urban	1.26	1.26	1.26	1.26	1.26	1.26
Short Rural	2.46	2.46	2.46	2.46	2.46	2.46

[as inserted on the date shown on page 13 herein]

SCHEDULE 3

Service Safety Net Targets

Feeder Type	Targets
CBD	<ul style="list-style-type: none"> Any interruption in customer supply resulting from an N-1 event at the sub-transmission level is restored within 1 minute
Urban – Following an N-1 event	<ul style="list-style-type: none"> no greater than 40 MVA (16,000 customers) is without supply for more than 30 minutes; no greater than 12 MVA (5,000 customers) is without supply for more than 3 hours; and no greater than 4 MVA (1,600 customers) is without supply for more than 8 hours.
Short Rural – Following an N-1 event	<ul style="list-style-type: none"> no greater than 40 MVA (16,000 customers) is without supply for more than 30 minutes; no greater than 15 MVA (6,000 customers) is without supply for more than 4 hours; and no greater than 10 MVA (4,000 customers) is without supply for more than 12 hours.

Note: All modelling and analysis will be benchmarked against 50 POE Loads and based on credible contingencies.

[as inserted on the date shown on page 13 herein]

SCHEDULE 4

Reporting

Compliance with MSS under clause 9, including:

- (i) performance against the SAIDI limits and SAIFI limits by feeder type, including those interruptions listed in clause 9.3;
- (ii) performance against the SAIDI limits and SAIFI limits, by feeder type, excluding those interruptions listed in clause 9.3;
- (iii) details of the interruptions excluded under clause 9.3, including the number of minutes and interruptions excluded by feeder type and category of exclusion;
- (iv) a description of any major event days; and
- (v) an explanation of reasons for a distribution entity exceeding (where applicable) those MSS and proposals to improve performance.

[as inserted on the date shown on page 13 herein]