

Chan, David

To: Chan, David
Subject: "Issues paper for STPIS and DRMG".

Dear David,

Thank you for your time in meeting with consumer organisations regarding the Service targets and performance incentive scheme.

As discussed in that meeting, the St Vincent de Paul Society, Victoria, had some concerns around the current scheme, in particular the possibility that the worst performing areas may not be receiving appropriate attention.

This issue is outlined in the consultation paper which states

"in other words the reward to the reduction of 1 SAIFI measure (improvement in the number of outages) is equivalent to a reduction of 60-90 minutes in SAIDI for urban networks in terms of the value of financial rewards".

Further more, the paper states

"We believe that this ratio may encourage distributors to focus their effort on network automation such as using auto-reclosing devices to restore supply to customers near the zone substation end of feeders"

We would encourage the AER to see to develop a better STPIS scheme that incentivises both SAIFI and SAIDI to ensure that network improvements are delivered across the whole customer base not just those that reside in particular geographical areas.

Kind regards

Gavin Dufty
Manager Policy and Research
St Vincent de Paul Society, Victoria

[phone number withheld by the AER]

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