

Ergon Energy Corporation Limited

Electricity Industry Code
Minimum Service Standards & Guaranteed Service Levels
Quarterly Report

December Quarter 2007

Revised 31 May 2008



everything in our power

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ADMINISTRATIVE DATA

<u>ITEM NO.</u>	<u>MEASURE</u>	<u>UNIT</u>	<u>VALUE</u>
1.1	<i>Distribution Network Service Provider</i>	name	Ergon Energy Corporation Limited
1.2	<i>First day of reporting period</i>	date	01-10-2007
1.3	<i>Last day of reporting period</i>	date	31-12-2007

NETWORK PERFORMANCE

(Reporting obligations under clause 2.6.2(a)(i) (A), (B), (C), (D) & (E) of the Queensland Electricity Industry Code, Third Edition effective 1 July 2007 ('The Code'))

Reliability Measures - 3 Months to December 2007

(Revised Results effective as at 14 May 2008, for the period ending 31 December 2007)

<u>ITEM NO.</u>	<u>MEASURE</u>	<u>UNIT</u>	<u>ACTUAL NETWORK PERFORMANCE</u>	<u>NETWORK PERFORMANCE LESS EXCLUSIONS</u>
	<i>System Average Interruption Duration Index (SAIDI)</i>			
	<i>Distribution system – total</i>			
	Urban	Minutes	92.16	52.79
	Short Rural	Minutes	190.19	122.80
	Long Rural	Minutes	467.69	371.31
	<i>Distribution system – planned</i>			
	Urban	Minutes	12.46	12.10
	Short Rural	Minutes	28.00	26.62
	Long Rural	Minutes	57.94	55.15
	<i>Distribution system – unplanned</i>			
	Urban	Minutes	79.70	40.69
	Short Rural	Minutes	162.19	96.17
	Long Rural	Minutes	409.75	316.16
	<i>System Average Interruption Frequency Index (SAIFI)</i>			
	<i>Distribution system – total</i>			
	Urban	Number	0.78	0.53
	Short Rural	Number	1.46	1.05
	Long Rural	Number	2.72	2.22
	<i>Distribution system – planned</i>			
	Urban	Number	0.06	0.05
	Short Rural	Number	0.17	0.16
	Long Rural	Number	0.31	0.28
	<i>Distribution system – unplanned</i>			
	Urban	Number	0.73	0.47
	Short Rural	Number	1.29	0.90
	Long Rural	Number	2.41	1.94



Reliability Measures – Financial Year to Date (1 July 2007 to 31 December 2007)

(Revised Results effective as at 14 May 2008, for the period ending 31 December 2007)

<u>ITEM NO.</u>	<u>MEASURE</u>	<u>UNIT</u>	<u>ACTUAL NETWORK PERFORMANCE</u>	<u>NETWORK PERFORMANCE LESS EXCLUSIONS</u>
	<i>System Average Interruption Duration Index (SAIDI)</i>			
	<i>Distribution system – total</i>			
	Urban	Minutes	130.57	84.91
	Short Rural	Minutes	297.25	212.23
	Long Rural	Minutes	701.96	572.11
	<i>Distribution system – planned</i>			
	Urban	Minutes	29.20	28.80
	Short Rural	Minutes	60.95	59.38
	Long Rural	Minutes	123.25	120.16
	<i>Distribution system – unplanned</i>			
	Urban	Minutes	101.37	56.11
	Short Rural	Minutes	236.31	152.85
	Long Rural	Minutes	578.71	451.95
	<i>System Average Interruption Frequency Index (SAIFI)</i>			
	<i>Distribution system – total</i>			
	Urban	Number	1.12	0.84
	Short Rural	Number	2.20	1.73
	Long Rural	Number	4.00	3.33
	<i>Distribution system – planned</i>			
	Urban	Number	0.14	0.14
	Short Rural	Number	0.37	0.35
	Long Rural	Number	0.66	0.62
	<i>Distribution system – unplanned</i>			
	Urban	Number	0.98	0.70
	Short Rural	Number	1.84	1.39
	Long Rural	Number	3.34	2.70

Details of Interruptions excluded 3 Months to December 2007

(Revised Results effective as at 14 May 2008, for the period ending 31 December 2007)

EXCLUSION MEASURE	TOTAL		
	Urban	SR	LR
System Average Interruption Duration Index (SAIDI)			
<i>(minutes)</i>			
(a) an interruption of a duration of one minute or less;	0.00	0.00	0.00
(b) an interruption resulting from:			
(i) load shedding due to a shortfall in generation;	0.04	0.24	0.21
(ii) a direction by NEMMCO, a system operator or any other body exercising a similar function under the Electricity Act, National Electricity Code or National Electricity Law;	0.00	0.00	0.00
(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; or	0.00	0.00	0.00
(iv) a failure of the shared transmission grid; or	0.00	0.11	0.00
(v) a direction by a police officer or another authorised person exercising powers in relation to public safety;	0.00	0.00	0.00
(c) any interruption to the supply of electricity on a distribution entity's supply network which commences on a major event day; and	36.86	64.86	91.02
(d) an interruption caused by a customer's electrical installation or failure of that electrical installation.	2.48	2.18	5.16
Total SAIDI for all Exclusion Events	39.38	67.39	96.39
System Average Interruption Frequency Index (SAIFI)			
<i>(number)</i>			
(a) an interruption of a duration of one minute or less;	0.00	0.00	0.00
(b) an interruption resulting from:			
(i) load shedding due to a shortfall in generation;	0.00	0.01	0.02
(ii) a direction by NEMMCO, a system operator or any other body exercising a similar function under the Electricity Act, National Electricity Code or National Electricity Law;	0.00	0.00	0.00
(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; or	0.00	0.00	0.00
(iv) a failure of the shared transmission grid; or	0.01	0.02	0.02
(v) a direction by a police officer or another authorised person exercising powers in relation to public safety;	0.00	0.00	0.00
(c) any interruption to the supply of electricity on a distribution entity's supply network which commences on a major event day; and	0.24	0.36	0.46
(d) an interruption caused by a customer's electrical installation or failure of that electrical installation.	0.01	0.01	0.01
Total SAIFI for all Exclusion Events	0.26	0.41	0.50

Note: Ergon Energy does not currently record momentary (<1 minute) outages.



Details of Interruptions excluded for the Financial Year to Date (1 July 2007 to 31 December 2007)

(Revised Results effective as at 14 May 2008, for the period ending 31 December 2007)

EXCLUSION MEASURE	TOTAL		
	Urban	SR	LR
System Average Interruption Duration Index (SAIDI)			
<i>(minutes)</i>			
(a) an interruption of a duration of one minute or less;	0.00	0.00	0.00
(b) an interruption resulting from:			
(i) load shedding due to a shortfall in generation;	0.04	0.24	0.21
(ii) a direction by NEMMCO, a system operator or any other body exercising a similar function under the Electricity Act, National Electricity Code or National Electricity Law;	0.00	0.00	0.00
(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; or	0.00	0.00	0.00
(iv) a failure of the shared transmission grid; or	0.06	0.24	0.60
(v) a direction by a police officer or another authorised person exercising powers in relation to public safety;	0.00	0.00	0.00
(c) any interruption to the supply of electricity on a distribution entity's supply network which commences on a major event day; and	41.92	80.64	120.18
(d) an interruption caused by a customer's electrical installation or failure of that electrical installation.	3.63	3.90	8.86
Total SAIDI for all Exclusion Events	45.66	85.02	129.85
System Average Interruption Frequency Index (SAIFI)			
<i>(number)</i>			
(a) an interruption of a duration of one minute or less;	0.00	0.00	0.00
(b) an interruption resulting from:			
(i) load shedding due to a shortfall in generation;	0.00	0.01	0.02
(ii) a direction by NEMMCO, a system operator or any other body exercising a similar function under the Electricity Act, National Electricity Code or National Electricity Law;	0.00	0.00	0.00
(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; or	0.00	0.00	0.00
(iv) a failure of the shared transmission grid; or	0.02	0.04	0.09
(v) a direction by a police officer or another authorised person exercising powers in relation to public safety;	0.00	0.00	0.00
(c) any interruption to the supply of electricity on a distribution entity's supply network which commences on a major event day; and	0.25	0.41	0.55
(d) an interruption caused by a customer's electrical installation or failure of that electrical installation.	0.01	0.02	0.02
Total SAIFI for all Exclusion Events	0.28	0.47	0.67

Note: Ergon Energy does not currently record momentary (<1 minute) outages.



Description of any major event days

During the December quarter there was a substantial number of acutely aggressive storm cells spread across the Central and Southern regions of Ergon Energy's service area which caused widespread damage. Ergon Energy registered four major Event Days (MED) during the quarter using the 2.5 beta exclusion event method, which requires a MED to be any day with a daily SAIDI value greater than the 2007-08 MED Threshold (TMED) of 9.94 system minutes. The Major Event Days occurred on the 10th, 12th and 29th of October and the 30th of November.

Explanation of reasons for exceeding minimum service standards and proposals to improve performance

Ergon Energy's year to date reliability performance for both SAIDI and SAIFI are tracking favourably to the 2007-08 MSS targets for all three feeder categories. The performance results are more favourable to the MSS targets compared to December 2007. The long rural feeders also have shown the sign of performance improvement for year to date figures after the adverse weather conditions and wide-spread damage associated with the storms in the Ergon Energy's Service areas during October and November. The storms resulted into a record number of three Major Event Days (MED) in the month of October and one MED in November.

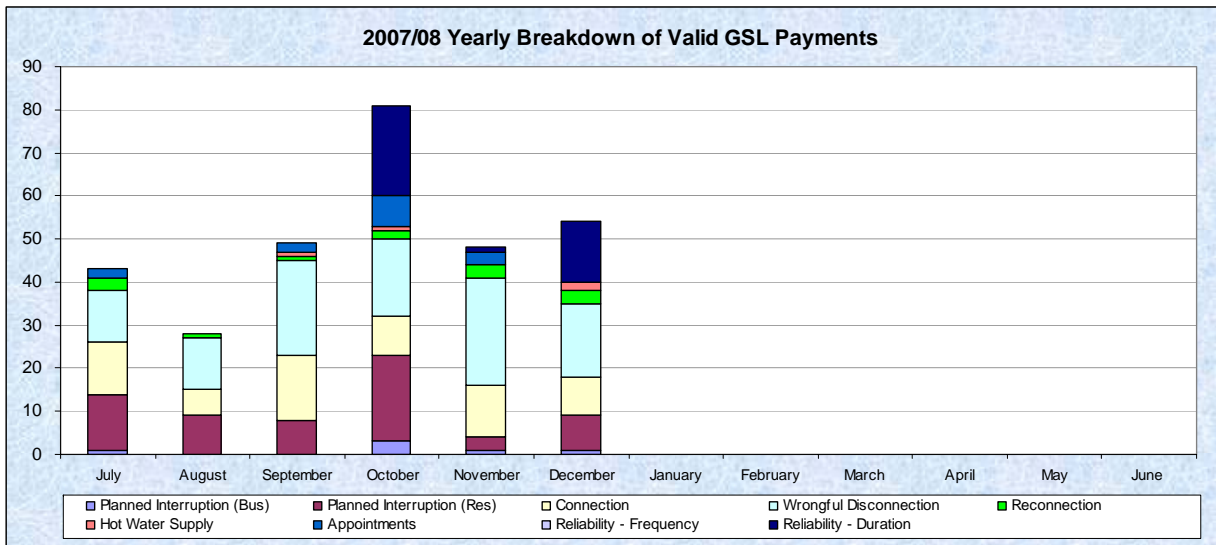


GSL (GUARANTEED SERVICE LEVEL)

(Reporting obligations under clause 2.6.2(a)(ii) (A), (B) & (C) of The Code)

Valid GSL Claims – Claim Type Breakdown for the Financial Year to Date

Yearly Breakdown of Valid GSL Payments for Ergon Energy – 2007/2008 Financial Year													
Type of GSL	July	August	September	October	November	December	January	February	March	April	May	June	Cumulative Total
Planned Interruption (Bus)	1	0	0	3	1	1							6
Planned Interruption (Res)	13	9	8	20	3	8							61
Connection	12	6	15	9	12	9							63
Wrongful Disconnection	12	12	22	18	25	17							106
Reconnection	3	1	1	2	3	3							13
Hot Water Supply	0	0	1	1	0	2							4
Appointments	2	0	2	7	3	0							14
Reliability - Frequency	0	0	0	0	0	0							0
Reliability - Duration	0	0	0	21	1	14							36
Monthly Total	43	28	49	81	48	54							303



The above figures represent the total number of valid GSL claims paid for the quarter as defined under the Electricity Industry Code (the Code).

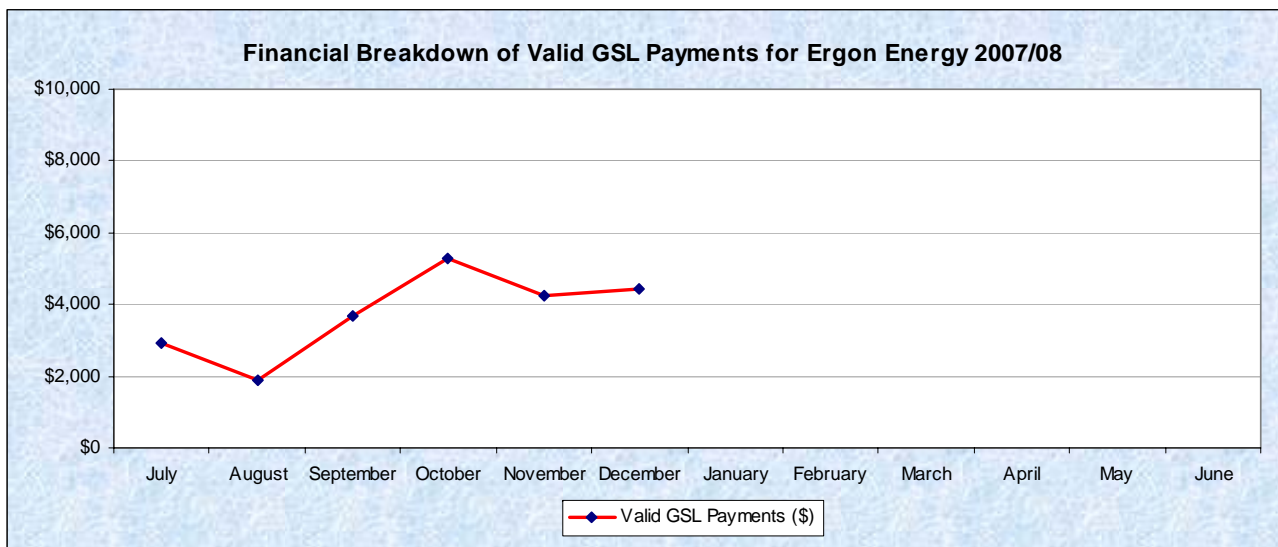
During the December quarter, Ergon Energy paid an additional 33 ex-gratia claims (\$2,640 in payments), relating to wild storms in the Wide Bay area on the 23-25 August 2007. The storms were later declared as an eligible disaster under the Natural Disaster Relief Arrangements (NDRRA) by the Queensland Minister for Emergency Services, alleviating Ergon Energy's obligation to pay related reliability GSL claims.

As Ergon Energy had already commenced paying GSLs to customers, as a gesture of good will Ergon Energy continued to accept and honour outstanding GSL claims up until the 25th October 2007. GSLs relating to the event were then converted and reported as ex-gratia payments and excluded from valid GSL claim statistics.



Valid GSL Claims – Financial Claim Breakdown for the Financial Year to Date

Financial Breakdown of Valid GSL Payments for Ergon Energy - 2007/2008 Financial Year													
Type of GSL	July	August	September	October	November	December	January	February	March	April	May	June	Cumulative Total
Planned Interruption (Bus)	\$50.00	\$0.00	\$0.00	\$150.00	\$50.00	\$50.00							\$300.00
Planned Interruption (Res)	\$260.00	\$180.00	\$160.00	\$400.00	\$60.00	\$160.00							\$1,220.00
Connection	\$1,210.00	\$480.00	\$1,080.00	\$840.00	\$1,320.00	\$880.00							\$5,810.00
Wrongful Disconnection	\$1,200.00	\$1,200.00	\$2,200.00	\$1,800.00	\$2,500.00	\$1,700.00							\$10,600.00
Reconnection	\$120.00	\$40.00	\$40.00	\$80.00	\$120.00	\$280.00							\$680.00
Hot Water Supply	\$0.00	\$0.00	\$120.00	\$40.00	\$0.00	\$240.00							\$400.00
Appointments	\$80.00	\$0.00	\$80.00	\$280.00	\$120.00	\$0.00							\$560.00
Reliability - Frequency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00							\$0.00
Reliability - Duration	\$0.00	\$0.00	\$0.00	\$1,680.00	\$80.00	\$1,120.00							\$2,880.00
Monthly Total	\$2,920.00	\$1,900.00	\$3,680.00	\$5,270.00	\$4,250.00	\$4,430.00							\$22,450.00



The above figures represent the total number of valid GSL claims paid for the quarter as defined under the Electricity Industry Code (the Code).

During the December quarter, Ergon Energy paid an additional 33 ex-gratia claims (\$2,640 in payments), relating to wild storms in the Wide Bay area on the 23-25 August 2007. The storms were later declared as an eligible disaster under the Natural Disaster Relief Arrangements (NDRRA) by the Queensland Minister for Emergency Services, alleviating Ergon Energy's obligation to pay related reliability GSL claims.

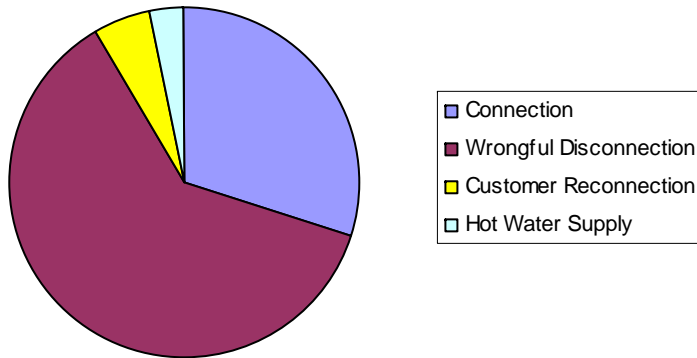
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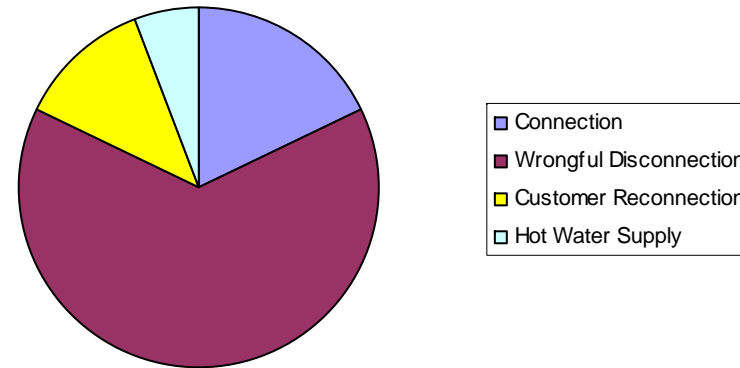
Corporation Initiated GSL Claims Breakdown

Type of GSL	October 2007 to December 2007				Financial Year to Date			
	Number of Claims	Number Accepted	Investigated Claims Not Paid	Amount Paid	Claims Raised	Number Paid	Number Not Paid	Amount Paid
Connection	32	29	3	\$3,000.00	64	61	3	\$5,720.00
Wrongful Disconnection	71	60	11	\$6,000.00	126	106	20	\$10,600.00
Customer Reconnection	7	5	2	\$280.00	10	7	3	\$360.00
Hot Water Supply	4	3	1	\$280.00	5	4	1	\$400.00
Total	114	97	17	\$9,560.00	205	178	27	\$17,080.00

Corporation Initiated
Valid GSL's - Oct to Dec 2007 Quarter



Corporation Initiated
Claims Not Paid - Oct to Dec 2007 Quarter



Corporation Initiated GSL Claims – Rejection Reasons, October 2007 to December 2007

There were 17 Corporation Initiated GSL claims investigated and not paid due to -

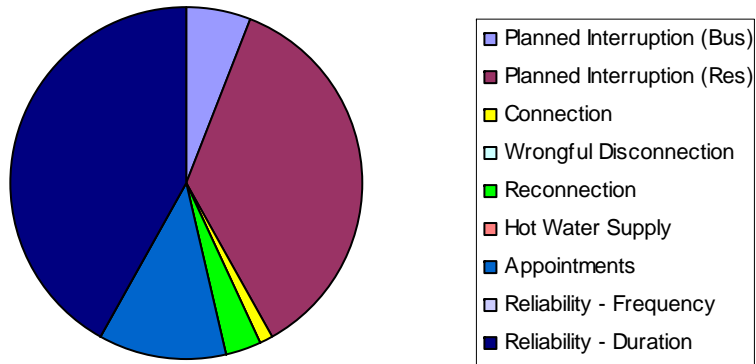
- 3 x Connections - Typographical error - Incorrect Date inserted when closing Service Order
- 11 x Wrongful Disconnections
 - 4 Customers correctly disconnected for debt
 - 4 Customers had not made application for supply
 - 1 Customer did not notify Ergon of premise address change when Units resurveyed and titles separated
 - 1 Customer requested date change after Final Read/Disconnect was completed
 - 1 Customer did not meet Regulatory Requirements - supply was never disconnected
- 2 x Reconnections - Typographical error - Incorrect Date inserted when closing Service Order
- 1 x Hot Water - Typographical error - Incorrect Service Order Type raised



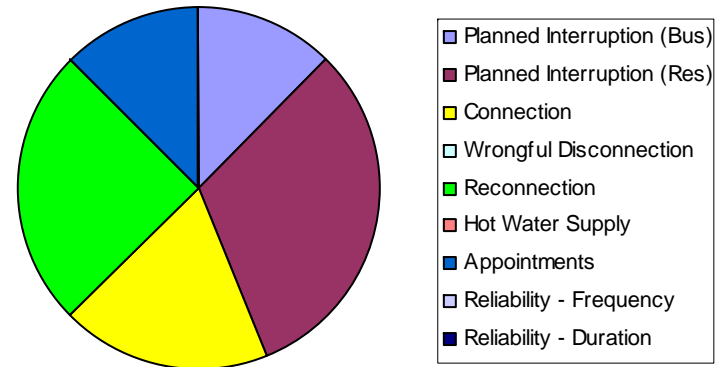
Customer Initiated GSL Claims Breakdown

Type of GSL	October 2007 to December 2007				Financial Year to Date			
	Number of Claims	Number Accepted	Number Rejected	Amount Paid	Claims Raised	Number Paid	Number Not Paid	Amount Paid
Planned Interruption (Bus)	7	5	2	\$250.00	9	6	3	\$300.00
Planned Interruption (Res)	36	31	5	\$620.00	69	61	8	\$1,220.00
Connection	4	1	3	\$40.00	5	2	3	\$90.00
Wrongful Disconnection	0	0	0	\$0.00	0	0	0	\$0.00
Reconnection	7	3	4	\$200.00	12	6	6	\$320.00
Hot Water Supply	0	0	0	\$0.00	0	0	0	\$0.00
Appointments	12	10	2	\$400.00	16	14	2	\$560.00
Reliability - Frequency	0	0	0	\$0.00	0	0	0	\$0.00
Reliability - Duration	36	36	0	\$2,880.00	36	36	0	\$2,880.00
Total	102	86	16	\$4,390.00	147	125	22	\$5,370.00

**Customer Initiated
Valid GSL's - Oct to Dec 2007 Quarter**



**Customer Initiated
Rejected GSL's - Oct to Dec 2007 Quarter**



Customer Initiated GSL Claims – Rejection Reasons, October 2007 to December 2007

There were 16 Customer Initiated GSL claims investigated and not paid due to -

- 7 x Planned Interruptions comprising -
 - 4 Planned Interruptions - Ergon confirmed that all customers were sent notification via Australia Post for each planned outage. Each of the customers confirmed that the postal address used by Ergon for the notification letters was correct
 - 2 Planned Interruptions - Did not meet Regulatory Requirements - submitted duplicate claim for same event
 - 1 Planned Interruptions - Did not meet Regulatory Requirements - customer not affected by outage
- 3 x Connections - Automatically generated and paid as Corporation Initiated GSL claim
- 4 x Reconnections - Automatically generated and paid as Corporation Initiated GSL claim
- 2 x Appointments comprising -
 - 1 Appointment did not meet Regulatory Requirements - Customer was contacted to reschedule appointment
 - 1 Appointment did not meet Regulatory Requirements - Job was completed at scheduled appointment time

