



ICRC

independent competition and regulatory commission

Monitoring Report on the 2016–17 Utility Licence Annual Reports

Report 5 of 2018, August 2018

The Independent Competition and Regulatory Commission is a Territory Authority established under the *Independent Competition and Regulatory Commission Act 1997* (the ICRC Act). The Commission is constituted under the ICRC Act by one or more standing commissioners and any associated commissioners appointed for particular purposes. Commissioners are statutory appointments. Joe Dimasi is the current Senior Commissioner who constitutes the Commission and takes direct responsibility for delivery of the outcomes of the Commission.

The Commission has responsibilities for a broad range of regulatory and utility administrative matters. The Commission has responsibility under the ICRC Act for regulating and advising government about pricing and other matters for monopoly, near-monopoly and ministerially declared regulated industries, and providing advice on competitive neutrality complaints and government-regulated activities. The Commission also has responsibility for arbitrating infrastructure access disputes under the ICRC Act. In discharging its objectives and functions, the Commission provides independent robust analysis and advice.

The Commission's objectives are set out in section 7 and 19L of the ICRC Act and section 3 of the *Utilities Act 2000*.

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Report outline

This monitoring report sets out the results of the Independent Competition and Regulatory Commission's (Commission) assessment of the Utility Licence Annual Reports (ULARs) submitted each year to the Commission by licensed utilities in the ACT. This report covers the 2016–17 reporting period. The report comprises eight sections:

- Section 1 - Introduction: The first section of this report gives a brief introduction to the framework under which the Commission regulates licensed utilities and monitors the compliance of licensees with their legislative and licence obligations.
- Section 2 - Compliance Overview: This section summarises the licensees' compliance with common requirements under Parts 7 and 8 of the *Utilities Act 2000* (Utilities Act or Act), relevant Network Boundary Codes, the Consumer Protection Code (CPC) and environmental performance¹ under the relevant licences.
- Section 3 - ACT Government Directorates: The third section reviews responses received from other ACT directorates who interact with, or are involved in the regulation of, licensed utilities (Access Canberra, the ACT Civil and Administrative Tribunal (the ACAT or Tribunal), ACT Health, the Environmental Protection Authority (EPA) and the Asbestos Response Taskforce (the Taskforce)).
- Sections 4–8 – Utilities: Sections 4 through 8 examine the performance of each of the licensed utilities operating in the ACT: Icon Water, Evoenergy Electricity and Evoenergy Gas², TransGrid, and East Australian Pipeline Ltd (EAPL). These sections examine each utility in relation to customer complaints, planned and unplanned interruptions, environmental performance and other performance indicators relevant to the particular licensee.

1 Introduction

Licensed utilities operating during 2016–17 year in the ACT included:

- Icon Water (water and sewerage services);
- Evoenergy Electricity (electricity distribution, connection and transmission services);
- Evoenergy Gas (gas distribution and connection services);
- TransGrid (electricity transmission services); and
- EAPL (gas transmission services).

The Utilities Act provides a framework under which the Commission regulates certain aspects of the provision of utility services in the ACT. To provide a utility service in the ACT, a utility must be licensed. The Commission is responsible for the licensing process and

¹ Note: 'Environmental performance' relates to a defined section of the licence referred to as 'Environmental Performance' (e.g. unaccounted for gas), and does not refer to environmental performance in general terminology relating to broader sustainability activities.

² From 1 January 2018, the electricity and gas distribution businesses of ActewAGL changed their trading name to Evoenergy. This trading name change meets the requirements of the Australian Energy Regulator (AER)'s ring-fencing guidelines. For drafting simplicity and to minimise confusion, this report refers to ActewAGL Gas and ActewAGL Electricity as Evoenergy Gas and Evoenergy Electricity respectively.

monitoring the compliance of licensees with their legislative and licence obligations. The obligations for licensees originate from a number of sources including:

- the Utilities Act;
- the *Utilities (Technical Regulation) Act 2014* (UTR Act);
- utility licence;
- industry codes determined by the Commission under Part 4 of the Utilities Act; and
- technical codes determined by the Technical Regulator under Part 3 of the UTR Act.

The Commission does not license retail energy providers. Retail services are regulated under a national framework by the Australian Energy Regulator (AER).³

Under section 25(2)(d) of the Utilities Act, licensed utilities in the ACT report annually to the Commission in relation to the exercise of their functions under the Act, and their compliance with the conditions of their licence. The annual report provided by a licensed utility to the Commission is referred to as the ULAR. The Commission monitors these reports and may verify the data provided and question utilities about its accuracy where it appears anomalous or inconsistent. The Commission prepares this monitoring report to set out its main findings, and its assessment of the utilities' performance, and highlights any issues.

Utility licences require licensees to submit the ULAR to the Commission by 1 October every year. Licensees report against reporting requirements they have under the Act including number of complaints each licensee received, responses each licensee made to complaints, and licensees' network protection and performance.

Figures in this monitoring report relate to 2016–17 unless otherwise specified.

2 Compliance overview

Section 2 of this report examines utility compliance under the utility's licence, Parts 7 and 8 of the Utilities Act and relevant Network Boundary Codes, the CPC and environmental performance under the relevant licences.

Under clause 6.2 of a utility's licence, licensees must comply with any requirement under the Utilities Act, relevant industry and technical codes, certain directions given by the Commission or Utilities Technical Regulator, and any applicable ring fencing requirements.

The licensed utility is required to notify the Commission of any material breach of the licence under clause 6.2 as soon as practicable (clause 7.2). In relation to general non-compliance (not of a material nature), the utility is required to provide a brief statement to the Commission that explains the circumstances of, and reasons for the non-compliance, consequences of the non-compliance and measures that the licensee will put in place to rectify non-compliance (clause 7.3).⁴

³ <https://www.aer.gov.au/>.

⁴ http://www.icrc.act.gov.au/wp-content/uploads/2013/02/Guidance_Note_Compliance_Reporting_Mar09.pdf.

2.1 Utility licence compliance

2.1.1 Material breach

Based upon information provided by licensed utilities and monitoring by the Commission throughout the year, there were no material breaches of utility licences in 2016–17.

2.1.2 Non-compliance

During 2016–17 some utilities reported they may not have complied with obligations under clause 6.2 of their utility licence. More detailed explanations of the circumstances of, and reasons for, non-compliance and measures that the licensees outlined to rectify issues are provided in sections 4 to 8 of this report.

Icon Water

Icon Water reported that a copy of their Customer Summary was not included in the welcome pack provided to new customers from 1 February 2017 as a result of the implementation of a new billing system. This has since been rectified and all new customers receive a copy of the Customer Summary.

Licence fees

Certain licensed utilities are required to pay an annual licence fee determined in accordance with the Act.⁵ The payment of the fee is to be made in accordance with the Commission's annual determination.⁶ All utilities subject to the annual licence fee submitted payment overdue in the 2016–17 regulatory year. The Commission has corresponded with the applicable utilities to ensure licence fee payments are made by the due date.

2.2 Network operations and entry to property

Part 7 of the Utilities Act places obligations on utilities to take all reasonable steps to minimise inconvenience to land-holders and damage to property when undertaking network operations. The Act specifies minimum notice requirements to land-holders about the proposed operations and also requires network operators to restore affected property as soon as practicable.

To assess compliance with the notice and land restoration requirements, the Commission considers the number of complaints made against each utility regarding the performance of its network operations. Complaints received by each network licensee in relation to these concerns are set out in sections 4, 5 and 6.

Before a utility begins network operations in relation to public land or private land, it is a requirement under Section 109 of the Utilities Act to give the land-holder written notice of the proposed operations at least 7 days before the operations begin. Table 1 shows that Icon Water (water and sewerage services) and Evoenergy Gas reported no instances of failures to

⁵ Evoenergy (gas and electricity distribution) pays an energy industry levy instead of a licence fee.

⁶ <http://www.legislation.act.gov.au/ni/2016-551/default.asp>.

give at least 7 days' notice before the operations begin. Evoenergy Electricity reported 58 instances when it did not provide 7 days' notice before network operations.

Table 1 Number of failures to give 7 days' notice before network operations

Utility	2012–13 (no.)	2013–14 (no.)	2014–15 (no.)	2015–16 (no.)	2016–17 (no.)	Change from the previous year
Icon Water (water)	58	0	0	2	0	-2
Icon Water (sewerage)	0	3	0	0	0	0
Evoenergy Electricity	0	0	0	0	58	+58
Evoenergy Gas	0	0	0	66	0	-66

2.3 Network Boundary Codes

The electricity and water and sewerage network boundary codes require notification to be given to the Technical Regulator and the Commission of any agreement between the utility and customer setting an alternative network boundary. The gas network boundary code sets the boundary at the point of supply, removing the option of setting alternative boundaries for gas. As with the past four reporting years, none of the utilities reported making alternative network boundaries in 2016–17, nor did the Commission receive any notifications of agreements on alternative boundaries.

The Commission reported in the 2015–16 year that it expected that the boundary codes would be transitioned to technical codes during 2016–17, and therefore fall within technical regulation's regulatory framework. The Commission's boundary codes however still remained effective during the 2016–17 reporting year as the revocation of all of the codes and the remaking of new technical codes was not completed until the 2017–18 reporting year.

The Commission will report in the 2017–18 monitoring report on utility adherence to the relevant boundary codes for the period of 1 July 2017 up to the date of their revocation in 2017–18.⁷

2.4 Rebates paid under the Consumer Protection Code

The CPC outlines the particular obligations that a utility must meet in dealing with customers and consumers and the basic rights of a customer or a consumer in relation to:⁸

- connection to, and disconnection from, a utility's network;
- the supply of utility services by a utility; and

⁷ The Electricity Network Boundary Code (DI2013–71) was in force up until 23 November 2017. DI2013–71 was replaced by the technical code DI2017–281. The Gas Network Boundary Code (DI2013–72) was in force up until 22 March 2018. DI2013–72 was replaced by the technical code DI2018–47. The Water and Sewerage Network Boundary Code (DI2013–73) was in force up until 13 April 2018. DI2013–73 was replaced by the technical code DI2018–62.

⁸ A customer of a utility service is a person for whom the service is provided under a customer contract; a consumer is the customer or an occupier of a customer's premises to which the service is provided. In the case of a rented property the landlord is usually the customer of water and sewerage services, and the tenant is the consumer.

- access to product and service information.

The code sets out the circumstances in which a utility can interrupt, restrict or disconnect supply of a utility service and the provisions that a utility must give effect to in its customer contracts.

Schedule 1 of the code specifies five minimum service standards covering connection times, responding to complaints, response times to notification of problems or concerns, notice period and duration of planned interruptions, and restoration of supply when unplanned interruptions occur. The minimum service standards are more applicable to utilities distributing and connecting utility services (as opposed to transmission utilities like EAPL and TransGrid).

Under the CPC, if a utility fails to maintain a minimum service standard, the customer or consumer is entitled to apply for a rebate within three months of the incident of non-compliance and be paid by the provider. Under clause 11 of the CPC, utilities are required to inform customers of their entitlement to apply for a rebate if the standards are not met. Table 2 summarises the rebates paid to the customer or consumer for failure to meet minimum service standards from 2013–14 to 2016–17.

Icon Water reported it paid no rebates in 2016–17. Evoenergy Electricity reported 93 rebates totalling \$4,380 in 2016–17. Evoenergy Gas paid no rebates for 2016–17.

Table 2 Payment of performance rebates, 2016–17

Utility	2013–14			2014–15			2015–16			2016–17			Change from previous year		
	Claims (no.)	Paid (no.)	Value (\$)	Claims (no.)	Paid (no.)	Value (\$)	Claims (no.)	Paid (no.)	Value (\$)	Claims (no.)	Paid (no.)	Value (\$)	Claims (no.)	Paid (no.)	Value (\$)
Icon Water (water)	0	0	0	0	1	50	0	0	0	0	0	0	0	0	0
Icon Water (sewerage)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Evoenergy Electricity	0	56	2,800	0	46	2,567	–	65	3,250	–	93	4,380	–	28	1,130
Evoenergy Gas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	56	2,800	0	47	2,617	0	65	3,250	0	93	4,380	0	28	1,130

Note: TransGrid and EAPL do not fall within this area of monitoring due to the nature of their services being transmission, and hence no direct consumers or customers.

The Commission has commenced a review of the CPC and expects to commence public consultation on potential changes during 2018. The Commission welcomes comments and ideas from the community and consumers on potential CPC amendments that would ensure consumer protections and minimum service standards are appropriate and meaningful.

2.5 Publication of summary of the ULAR

It is a requirement under all utility licences that a summary of the utility's ULAR is made publicly available each year.⁹

Icon Water, Evoenergy Electricity, Evoenergy Gas, TransGrid and EAPL have all reported that their 2015–16 ULAR, or a summary of their ULAR, has been made publicly available.

There has been some confusion in relation to the fulfilment of the ULAR reporting requirement. The Commission clarified in the 2015–16 reporting templates that this requirement specifically refers to the ULAR, not the general annual report of the licensee, and whilst a summary of ULAR is required, the entire ULAR can be made publicly available. To further clarify this obligation, the Commission has drafted a guideline that was sent out with the 2017–18 ULAR reporting templates.

3 ACT Government Directorates

As part of the annual monitoring process, the Commission invites relevant ACT Government directorates and agencies (Access Canberra, the ACAT, ACT Health, the Environment Protection Authority (EPA) and the Asbestos Response Taskforce (Taskforce)) to comment on any activities of the licensed utilities that they may be involved with or comments they may have received, such as complaints.

3.1 Access Canberra

Access Canberra reported in 2016–17 that it had received one specific complaint regarding the activities of a utility, and 25 general enquiries regarding essential services. The specific utility complaint related to information that was not being provided to customers about the maintenance requirements of their solar connections to the electrical energy grid. Access Canberra corresponded with the utility which resulted in the utility updating the information it provides to customers. Access Canberra reported the matter was resolved.

The majority of the 25 general enquiries received by Access Canberra related to consumer energy or water accounts. Access Canberra advised enquirers to raise concerns in writing with the utilities and to contact the ACAT if they were unable to reach a suitable resolution.

3.2 The ACAT

Customer complaints and disputes relating to licensed utilities and authorised energy retailers are handled by the ACAT under Part 12 of the Utilities Act. The ACAT reported that there were no industry-wide or specific compliance issues in 2016–17 in relation to both the ACAT's utility hardship and utility complaint jurisdictions.

The ACAT noted the short-term increase in estimated meter read matters involving ActewAGL Gas Retail due to the operational management of the business moving from

⁹ Clause 7.5, which is common across all licences.

Melbourne to Canberra. However the ACAT expected there to be flow-on benefits beyond the short-term for customers due to the transfer.

The statistics and commentary in relation to the complaint applications made to the ACAT for 2016–17 were made available in its 2016–17 annual review.

3.3 ACT Health

Under the *Public Health Act 1997* and its subordinate legislation, the operation of a drinking water utility is a licensable public health risk activity that is regulated by ACT Health. The regulatory framework includes that the utility must notify ACT Health of certain events or incidents (as prescribed in the *Drinking Water Code of Practice 2007* (Code of Practice)).

During the 2016–17, ACT Health received seven reports from Icon Water notifying incidents as required by the Code of Practice. Each of these incidents were investigated by Icon Water and deemed to have been resolved satisfactorily.

ACT Health reported that it had not received any complaints about the operation of Icon Water for the 2016–17 period.

3.4 Environment Protection Authority (EPA)

The EPA noted that during the 2016–17 year the utilities holding Environmental Authorisations under *the Environment Protection Act 1997* have generally complied, to the satisfaction of the EPA, with the conditions of their authorisation.

3.5 The Asbestos Response Taskforce

The Taskforce liaised with Icon Water, Evoenergy Gas and Evoenergy Electricity for arranging the disconnection of services to premises. The Taskforce reported that it received assistance and positive responses from these utility providers during 2016–17.

4 Water and sewerage

4.1 Supply and service

Icon Water supplied 45,425 ML of water to the ACT during 2016–17 (total of 49,916.5 ML to the ACT and Queanbeyan). This was a small decrease on the 46,121 ML of water supplied to the ACT during 2015–16 (total of 50,400 ML to the ACT and Queanbeyan). Residential use, as a proportion of total water supplied to the ACT, increased from 67.8 per cent to 68.4 per cent.

4.2 Customer service and complaints

Icon Water reported it has complaint handling procedures in place which comply with the relevant Australian Standard on complaint handling. Icon Water advises customers or

consumers of its complaint handling procedures when acknowledging a complaint. In the complaint handling procedures and when providing a response, Icon Water advises customers or consumers of their rights to complain to the ACAT. Icon Water keeps records of complaints made by a customer or consumer for not less than twelve months after the complaint is resolved.

Water supply complaints

Table 3 sets out complaints received by Icon Water in relation to water supply from 2011–12 to 2016–17. In 2016–17, Icon Water received 693 complaints relating to water supply to premises in the ACT, an 11.5 per cent increase from the previous year. Increases were recorded for water supply reliability, property damage/ restoration of property, and metering/meter reading categories.

Water quality complaints accounted for 22.8 per cent of all complaints in 2016–17. This set of complaints was 19.5 per cent lower in 2016–17 than in 2015–16. The number of complaints also decreased for water quality, failure to provide or insufficient notice, and unplanned interruptions categories.

The largest percentage increase in complaints (70.9 per cent) occurred in relation to metering/meter reading, rising from 93 complaints in 2015–16 to 159 in 2016–17.

Table 3 Complaints, water supply 2011–12 to 2016–17

Complaint item	2011–12 (no.)	2012–13 (no.)	2013–14 (no.)	2014–15 (no.)	2015–16 (no.)	2016–17 (no.)	Change from previous year (no.)
Water quality	131	121	187	204	210	169	-41
Water supply reliability	48	36	15	2	2	3	+1
Property damage/restoration of property	78	82	62	64	62	91	+29
Accounts/billing / retail ¹⁰	49	62	66	53	75	72	-3
Metering/meter reading	97	85	69	74	93	159	+66
Failure to provide notice, or insufficient notice	47	42	19	26	37	32	-5
Unplanned interruptions	27	44	5	19	24	16	-8
Other network ¹¹	73	110	76	80	118	151	+33
Total	550	582	499	522	621	693	+72

¹⁰ Icon Water does not record complaints for ‘accounts, billing and retail’ separately for water supply and sewerage services. The total category has been split 50/50 across water supply (Table 3) and sewerage services (Table 4).

¹¹ Other network includes: damage/fault to Icon Water’s asset, driving/parking, failed to reply, information wrong, noise/unsightly, notices offended, other, safety/health, service request not met, staff rude, water hammer/noisy pipes, water leak, water pressure, water wasted.

Sewerage service complaints

Table 4 sets out complaints received by Icon Water in relation to the provision of sewerage services from 2011–12 to 2016–17. In 2016–17, 250 complaints were received in relation to sewerage services, which was a 14.6 per cent decrease from the previous year. A decrease in complaints was reported in all complaint categories except the failure to provide notice or insufficient notice category, although the overall number of complaints was still small.

Table 4 Complaints, sewerage services 2011–12 to 2016–17

Complaint item	2011–12 (no.)	2012–13 (no.)	2013–14 (no.)	2014–15 (no.)	2015–16 (no.)	2016–17 (no.)	Change from previous year (no.)
Sewage odour	6	14	4	20	13	7	-6
Sewerage services reliability and quality	30	22	35	43	41	33	-8
Property damage/restoration of property	85	61	106	132	124	106	-18
Accounts/billing/retail ¹²	71	61	66	53	75	72	-3
Failure to provide notice, or insufficient notice	3	7	5	1	1	8	+7
Unplanned interruptions	0	0	0	0	0	0	0
Other networks ¹³	95	87	28	41	39	24	-15
Total sewerage services	290	252	244	290	293	250	-43

Responding to complaints within the required time frame

Minimum service standard 2 of the CPC requires Icon Water to respond to a customer complaint within 20 business days. If the licensee fails to meet this requirement, the complainant may apply for a rebate of \$20.

Icon Water responded to 96.79 per cent of water supply complaints and 98.73 per cent of sewerage service complaints within the 20 business days required time frame. No complainants applied for a rebate for the service standard not being met. For more information on the CPC refer to Chapter 2.4.

4.3 Planned and unplanned interruptions to services

Table 5 sets out the number of planned and unplanned interruptions to Icon Water's water services from 2012–13 to 2016–17. The number of planned interruptions decreased by 2,558 and the number of unplanned interruptions decreased by 88 compared to those reported in 2015–16. Icon Water's planned interruptions to services has remained high for 2015–16 and 2016–17 compared to previous years. Icon Water has reported that these higher figures relate to an ongoing meter replacement program that is expected to run for approximately five years, with 6,500 small and 500 large meters to be replaced each year.

¹² See footnote 10.

¹³ Other network complaints incorporates several categories: reimbursement assessment, safety/health, other, damage/fault our asset, notices offended, driving/parking, service request not met, failed to reply, telephone service poor.

Table 5 Planned and unplanned interruptions to water supply services 2012–13 to 2016–17

Interruptions to water supply services	2012–13 (no.)	2013–14 (no.)	2014–15 (no.)	2015–16 (no.)	2016–17 (no.)	Change from previous year (no.)
Planned interruptions to services	3,893	880	2,555	10,318	7,760	2,558
Instances where licensee did not provide at least 2 days' notice of the planned interruption to each of the premises affected	5	0	1	0	1	+1
Instances where supply was not restored within 12 hours of the initial interruption	0	0	0	0	0	0
Average water supply interruption duration (minutes)	14	39.1	19	31	31.9	-0.8
Total interruption faced by an average customer (minutes per property)	0.51	0.21	0.39	2.28	1.8	-0.48
Unplanned interruptions to services	758	489	564	665	577	-88
Instances where supply was not restored within 12 hours of the initial interruption	0	0	0	0	0	0
Average water supply interruption duration (minutes)	148	148	114.7	115.3	133.8	+18.50

Note: For 2015–16 Icon Water had originally reported 16,931 planned interruptions to services and 22.8 minutes as the average water supply interruption duration. Icon water notified the Commission as part of its reporting for the 2016–17 year that this was incorrect. The correct figures (10,318 and 31 respectively) are now reported in the Table 5.

Table 6 shows the number of unplanned interruptions for sewerage services decreased by 58 to 1,639 in 2016–17 compared to the previous year.

Table 6 Unplanned interruptions to sewerage services 2012–13 to 2016–17

Unplanned interruptions	2012–13 (no.)	2013–14 (no.)	2014–15 (no.)	2015–16 (no.)	2016–17 (no.)	Change from previous year (no.)
Number of unplanned interruptions ¹⁴	1,197	1,634	1,561	1,697	1,639	-58
Instances where supply was not restored within 12 hours of the initial interruption	0	0	0	0	0	0
The total number of sewer main breaks and chokes	1,344	1,844	1,678	1,778	1,618	-160
Sewer main breaks and chokes caused by tree roots	1,166	1,672	1,536	1,639	1,648	-171
The total number of property connection sewer breaks and chokes	1,192	1,629	1,552	1,694	1,634	-60
Property connection sewer breaks and chokes caused by tree roots	1,034	1,425	1,385	1,476	1,425	-51

¹⁴ The number of unplanned interruptions does not equal the total of the other five rows below it in the table due to how Icon Water records and reports its unplanned interruptions. For example, 1,618 interruptions of sewer main breaks and chokes includes interruptions classed as breaks and those also classed as chokes. A single interruption may be classed as both. There is also the potential for a choke not to result in an interruption to service. The above comments mean that it is best to read each row as a stand-alone figure.

4.4 Compliance with the agreement with the ACT Fire Brigade

Under clause 4 of Icon Water's licence, the utility is required to develop and finalise an agreement with the ACT Fire Brigade to ensure water supply is at set pressures for firefighting purposes. In the past, Icon Water has reported some minor non-compliance issues. In its 2016–17 ULAR Icon Water reported that the licensee was compliant with its agreement with the ACT Fire Brigade. Icon Water has reported that past results have used an old standard considering an extreme case and applying a very high peak demand assumption. Icon Water advises a review of peak network demand is being undertaken by an independent expert to identify and address any deficiencies, if they are found. The Commission expects to report on the finalisation of this issue in its 2017–18 report.

4.5 24 hour emergency telephone service

Icon Water's utility licence requires it to maintain a 24 hour emergency telephone service. In 2016–17, Icon Water reported no outages to the service.

Customers and the public are informed of the service through the White Pages telephone directory, customer bills, Icon Water's website, newspaper advertisements, brochures, correspondence with customers, Twitter, Facebook, event programs and bumper stickers.

4.6 Customer safety net arrangements

Under the CPC, utilities are not permitted to disconnect water supply or withdraw sewerage services for failure to pay an account. However, they may restrict the water flow to amounts sufficient for essential uses only. Icon Water did not report any disconnection of water supply or restriction on the water flow or withdrawal of sewerage services for failure to pay an account in 2016–17.

The response from the ACAT on the performance and compliance of the licensed utilities in 2016–17 reported no issues in relation to the disconnection, withdrawal and restriction of water and sewerage services.

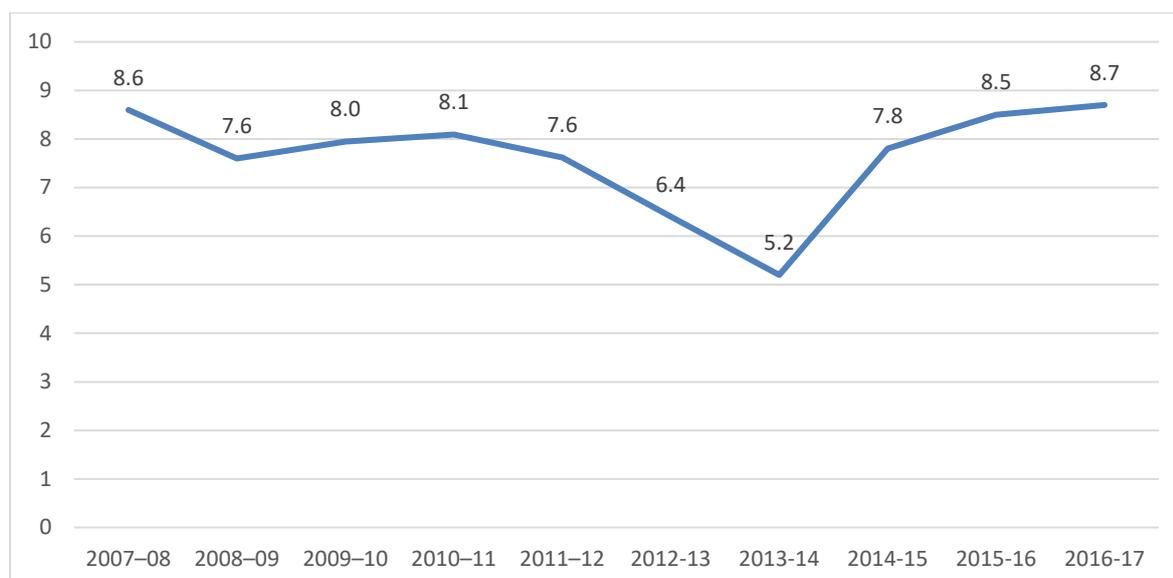
4.7 Environmental performance - water

Unaccounted for water

Icon Water reports annually to the Commission on the volume of unaccounted for water from its water network and the implementation of measures to minimise unaccounted for water. The volume of unaccounted for water from Icon Water's water network in 2016–17 was 4354 ML.

Figure 1 shows the annual quantity of unaccounted for water in the ACT as a proportion of the total volume of water supplied by Icon Water from 2007–08 to 2016–17. The percentage of unaccounted for water increased from 8.5 per cent in 2015–16 to 8.7 per cent in 2016–17.

Figure 1 Unaccounted for water, percentage of total volume 2007–08 to 2016–17



Program to minimise unaccounted for water in network

Icon Water has a program to minimise unaccounted water from its water network. The following measures were taken by Icon Water during 2016–17 to minimise unaccounted for water from the water network:

- Planned and reactive meter replacement program to maintain meter accuracy;
- Planned maintenance - hydrants, valves and distribution mains inspections;
- Water mains replacements based on identification of problematic cohorts;
- Monitoring of District Metered Areas (DMA, minimum night flows); and
- Water mains burst repairs.

5 Electricity distribution

5.1 Customer service

Customer complaints

Table 7 shows the number of customer complaints relating to the provision of electricity distribution services by Evoenergy Electricity from 2012–13 to 2016–17.

Table 7 shows there has been a significant increase in the total number of complaints relating to electricity distribution in 2016–17. Evoenergy Electricity received 1,113 complaints in 2016–17, which was a 39.8 per cent increase on 2015–16. Of the 1,113 complaints received, Evoenergy Electricity responded to 1,111 complaints (99.82 per cent) within 20 business days.

Table 7 Customer complaints, electricity distribution 2012–13 to 2016–17

Complaint items	2012–13 (no.)	2013–14 (no.)	2014–15 (no.)	2015–16 (no.)	2016–17 (no.)	Change from previous year (no.)
Connection/disconnection	9	11	21	18	24	6
Notice of work and outages	145	168	153	233	377	144
Network operations	114	188	217	195	182	-13
Meters and meter reading	8	5	19	90	80	-10
Customer Service	19	15	25	45	47	2
Fees and charges	0	1	7	35	19	-16
Network and service quality	28	35	23	84	254	170
Other ¹⁵	19	21	26	96	130	34
Total	342	444	491	796	1,113	317

Table 7 shows that notice of work and outages received the highest number of complaints in 2016–17 and was also a 61.8 per cent increase from the previous year. Network and service quality and network operations were two other significant areas of customer complaints.

Evoenergy Electricity noted in correspondence that the significant increase in complaint volume is a result of a range of factors, including:

- improved work practices in relation to complaint recognition and capture;
- significant change driven by AER regulatory decisions; and
- increasing consumer expectations and vigilance related to the utility sector.

In relation to these factors, Evoenergy Electricity noted the following:

[Evoenergy Electricity] continues to work to identify trends and systemic issues related to complaints as part of our commitment to continuous improvement. This commitment drives work to optimise [Evoenergy Electricity's] work practices, increase our understanding and use of operational technology to drive efficiencies and transparency and a strengthening of our consultation program with all our customer segments. While being cognisant for the need to change, [Evoenergy Electricity] is also working with regulators to make them aware of and influence the impacts their changes are having on the end consumer.

[Evoenergy Electricity] monitors its complaint demographics and is constantly working to understand the key drivers to inform work practice improvements. The 2015 AER determination restructure¹⁶ included the complaint management team. [Evoenergy Electricity] took this opportunity to build on its focus of continuous improvement and customer experience which has led to a greatly improved complaint recognition and recording processes. This resulted in an immediate lift in complaints captured and reported by [Evoenergy Electricity] contributing to overall increases.

¹⁵ Miscellaneous, vehicle driving and feed-in-tariff.

¹⁶ Note: this relates to an Evoenergy restructure resulting from AER regulatory determination, not the AER determining the restructure.

Evoenergy Electricity reported its proposed plans, and efforts already undertaken, to reduce the number of complaints received. Evoenergy Electricity has:

- been optimising work practices,
- increasing understanding and use of operational technology to drive efficiencies and strengthening engagement with customers. While being cognisant for the need to change, it noted work with regulators to make the regulators aware of and influence the impacts regulatory changes are having on the consumer.

Evoenergy Electricity has stated that the growth of complaints has started to normalise and fall back to around the 2015–16 figures, and have an end of year forecast for 2017–18 of 680 total complaints. The Commission will undertake ongoing monitoring of the projected figure during 2017–18.

5.2 Planned and unplanned interruptions to services

Table 8 sets out the number of planned and unplanned interruptions to Evoenergy Electricity’s services from 2011–12 to 2016–17. Planned interruptions to services increased by 7.3 per cent compared to 2015–16, while unplanned interruptions decreased by 24.7 per cent. The number of failures to provide at least 4 days’ notice of planned interruptions increased by 55.6 per cent from the previous regulatory year, although this figure is still low relative to previous years. Evoenergy Electricity noted they have reported all incidents of failure to provide adequate notice to the AER.

Evoenergy Electricity is required to restore electricity supply within 12 hours of the interruption. For planned interruptions the number of times supply was not restored within 12 hours of the initial interruption increased by 10 for the 2016–17 year, while the increase for unplanned interruptions was 37. Evoenergy Electricity reported that electricity supply was restored within 12 hours in 98.7 per cent of planned interruption and 93.9 per cent of unplanned interruption.

Table 8 Planned and unplanned interruptions to electricity distribution services, 2011–12 to 2016–17

Interruptions to electricity services	2011–12 (no.)	2012–13 (no.)	2013–14 (no.)	2014–15 (no.)	2015–16 (no.)	2016–17 (no.)	Change from previous year (no.)
Planned interruptions to services	1,555	1,317	1,330	1,479	1,105	1,186	81
Times licensee did not provide at least 4 business days' notice	156	159	377	298	54	84	30
Times supply not restored within 12 hours of the initial interruption	0	0	2	4	6	16	10
Unplanned interruptions to services	822	1,070	2,365	2,331	1,839	1,385	-454
Times supply not restored within 12 hours of the initial interruption	-	-	18	19	48	85	37

5.3 Response to notification of network problems or concerns

Table 9 sets out that in 2016–17 Evoenergy Electricity received 6,840 notifications of network problems or concerns. Of the 6,840 notifications, 97.8 per cent (6,686) related to minor problems or concerns.

Table 9 Notification of problems or concerns received for electricity distribution 2013–14 to 2016–17

Notifications ¹⁷	2013–14	2014–15	2015–16	2016–17
Notification of problems or concerns received in total	7,331	8,299	7,840	6,840
Notifications related to problems or concerns likely to affect public health, or cause (or potentially cause) substantial damage or harm to a person or property	155	191	92	154
Serious notifications not responded to within six hours	Not recorded	0	8	0
Notification related with minor problems or concerns	7,176	8,108	7,748	6,686
Minor problems or concerns not responded to within 48 hours	Not recorded	8	5	0

5.4 24 hour emergency telephone service

Evoenergy Electricity's utility licence requires it to maintain a 24 hour emergency telephone service that is accessible to the public and able to receive reports of network emergencies. In 2016–17, the licensee reported no outages to the emergency telephone service. The licensee noted that it made its customers and the public aware of the service using the White Pages, Yellow Pages, customer bills, Evoenergy's website, TV, newspaper advertisements and brochures.

¹⁷ In Evoenergy's reporting, these figures refer to the total number of incidents notified to Evoenergy that are logged as a job and subsequently responded to. Numerous phone calls may be received for a single incident.

5.5 Environmental performance

Evoenergy Electricity's licence requires it to report annually to the Commission on its implementation of measures to reduce network losses and the greenhouse gas emissions attributable to its network operations. The utility reported that embedded generation and demand side management, circuit breakers with minimum quantities and a power factor correction program with customers were key strategies to minimise losses of electrical power in the licensee's electricity network in 2016–17.

6 Gas distribution

6.1 Network summary

As at 30 June 2017, Evoenergy Gas's distribution network comprised of 3,852 km of medium pressure and 269 km of high pressure mains - a total pipeline length of 4,121 km, and a 47 km increase of total pipeline length compared to 2015–16.

In 2016–17, Evoenergy Gas distributed 7,882TJ of gas to 130,277 delivery point identifiers.

6.2 Customer service

Evoenergy Gas received 20 complaints in 2016–17 of which all were responded to in 20 days (Table 10). This was a 66 per cent decrease in complaints compared to the previous year. The number of notification of network problems decreased by 8.9 per cent in 2016–17. All notifications likely to affect public health or cause damage were responded to within six hours in line with the CPC Minimum Service Standard 4.

Table 10 Customer Complaints, gas distribution 2011–12 to 2016–17

Complaint and notification response item	2011–12 (no.)	2012–13 (no.)	2013–14 (no.)	2014–15 (no.)	2015–16 (no.)	2016–17 (no.)	Change from previous year (no.)
Total number of complaints	24	50	42	45	66	20	-46
Number responded to in 20 business days	24	50	42	45	66	20	-46
Number of notifications of network problems or concerns about licensee's network received	2,036	2,163	2,302	2,707	2,048	1866	-182
Notifications likely to affect public health, or cause damage to person/property	238	15	168	215	164	203	39
Number of responses of the notifications not made within 6 hours	0	0	0	0	0	0	0
Notifications related to other problems or concerns not likely to affect public health, or cause damage to person or property	1,798	1,932	2,134	2,492	1,884	1663	-221
Number of responses of these notifications not made within 48 hours	222	266	225	390	306	194	-112

6.3 24 hour emergency telephone service

In 2016–17, the Evoenergy Gas reported no outage to the 24 hour emergency telephone service. The licensee reported that the customers and public were informed of the service and the ways in which they can contact the utility for reporting escapes of gas. The emergency telephone number (131 909) was displayed in the public telephone directory and on Evoenergy's website as well as being listed on customer invoices issued by the retailers.

6.4 Network operation standards

Evoenergy Gas reported no instances of non-compliance with its network operation standards in 2016–17.

6.5 Planned and unplanned interruptions to services

Table 11 sets out the number of planned and unplanned interruptions to gas distribution services from 2011–12 to 2016–17.

Table 11 Planned and unplanned interruptions to gas distribution services 2011–12 to 2016–17

Interruption item	2011–12 (no.)	2012–13 (no.)	2013–14 (no.)	2014–15 (no.)	2015–16 (no.)	2016–17 (no.)	Change from previous year (no.)
Planned interruptions to services	2,572	4,179	4,231	3,385	8,023	5,627	-2,396
Instances where licensee did not provide at least 4 days' notice of the planned interruption to each of the premises affected	0	0	0	0	0	0	0
Instances where supply was not restored within 12 hours of the initial interruption	0	0	0	0	0	0	0
Unplanned interruptions to services	76	47	37	13	28	113	+85
Instances where supply was not restored within 12 hours of the initial interruption	0	0	0	0	0	0	0

The number of planned interruptions decreased by 29.9 per cent, from 8,023 in 2015–16 to 5,627 in 2016–17. Replacement of aged meters was the primary contributor to the planned interruptions in 2016–17. 4,950 aged meters were replaced representing 87.9 per cent of all planned interruptions. In 2015–16, 7,143 aged meters were replaced representing 89 per cent of planned interruptions.

6.6 Environmental performance

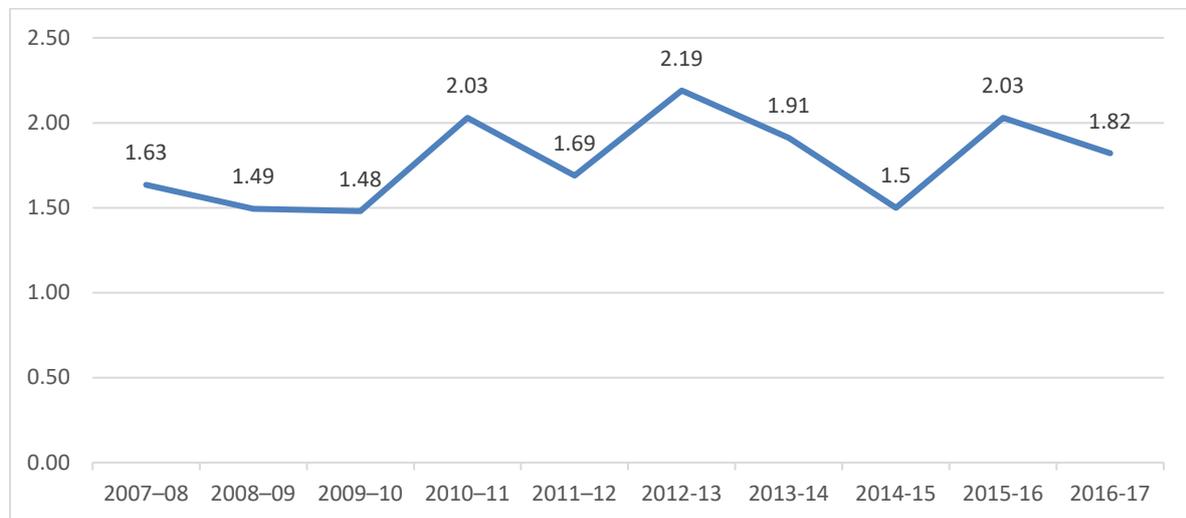
Unaccounted for Gas

Evoenergy Gas reports annually to the Commission on the amount of gas lost from the distribution network (unaccounted for gas).

The amount of gas lost from the gas distribution network in 2015–16 was 208 TJ from a base of 10,200 TJ.¹⁸ In 2016–17, the amount of gas lost from the distribution network was 143.5 TJ from a base of 7,882 TJ.

Figure 2 presents unaccounted for gas as a proportion of total gas entering the network from 2007–08 to 2016–17. The proportion of unaccounted for gas decreased to 1.82 per cent in 2016–17 from 2.03 per cent in 2015–16.

Figure 2 Unaccounted for gas, proportion of total volume entering the distribution network 2007–08 to 2016–17



Evoenergy Gas provided a plan to minimise gas losses in the forthcoming year and an assessment of the effectiveness of the current plan.

A leakage survey across all gas distribution assets has been undertaken. It is a rolling program being completed over five years. Specific reviews are also underway for major receipt station metering and large customer metering accuracy. The licensee noted that metering inaccuracy is not a loss to the atmosphere, instead it is a measurement of the gas that has flowed through the meter which may result in no impact on the environment.

¹⁸ ACT only data. The licensee used to report as combined with Queanbeyan during previous years.

In relation to the effectiveness of the plan for 2016–17, the licensee reported that the plan covers all possible contributors to unaccounted for gas, noting any measurement, including gas measurement, has an inherent uncertainty.

6.7 Incidents

Evoenergy Gas’s licence requires them to provide information on incidents occurred or reported during the reporting period.

Table 13 shows that in 2016–17 there were small increases across all incident categories, but relevant to previous years the figures have remained steady.

Table 12 Gas incidents occurred or reported during 2013–14 to 2016–17 periods

Incident	2013–14 (no.)	2014–15 (no.)	2015–16 (no.)	2016–17 (no.)	Change from previous year (no.)
Gas leaks (from mains, service and meters) reported by the public	1607	1870	1528	1663	135
Medium pressure	1607	1870	1528	1663	135
High pressure	0	0	0	0	0
Mechanical damage incidents to mains and services by pressure classes	157	215	164	203	39
Medium pressure	157	215	164	203	39
High pressure	0	0	0	0	0
Gas specification reaches the maximum or minimum limits (no of times)	0	0	0	0	0

7 Electricity Transmission

TransGrid is licensed to provide electricity transmission services in the Territory.

7.1 Performance of networks under the Utilities Act

TransGrid entered landholders’ property to undertake network operations 41 times during the 2016–17 year. The licensee reported the number of entries has been calculated from its works scheduling system as a count of all operational and maintenance activities (corrective and preventive) in the Territory that involved TransGrid field staff accessing ACT land.

TransGrid reported that it did not fail in any instances to provide seven days written notice to landholders of the proposed network operations, and received no complaints about any inconvenience, detriment or damage to landholders' property resulting from network operations.

The licensee reported it has strategies in place that assisted it in fulfilling obligations of removing property and waste after network operations and restoring the land to a condition that was similar to a condition before the operations began. All TransGrid's property and waste material was removed from sites, and any damage to the land, sites and access tracks was repaired, unless requested by the property owner, in accordance with the environmental assessment documentation and TransGrid's Environmental Management System procedures and protocols.

7.2 Licence conditions

TransGrid reported that there were no material breaches of the licence or any applicable law, code of practice, directions or guidelines in 2016–17.

TransGrid has a corporate compliance framework to enable the appropriate management of its compliance obligations across its operations. TransGrid has, from time to time, undertaken audits of the services and operations authorised under its utility licence. TransGrid reported its compliance audits were primarily based around its key management systems, in relation to health and safety, environment, asset management and quality. In addition, the licensee has a corporate risk and compliance function that monitors compliance through independent reviews to challenge and improve compliance performance. The combination of these are considered by TransGrid to provide satisfactory coverage of operations in the ACT.

TransGrid reported that its ULAR for 2015–16 was made available on its website.

The ULAR reports on TransGrids' compliance with licence conditions. The technical regulation of TransGrid is a substantial part of the regulation of the entity, and this covered in the Technical Regulator's annual report.

8 Gas transmission

EAPL is licensed to provide gas transmission services under the Utilities Act for the portion of the Dalton to Canberra pipeline located in the ACT.

8.1 Performance of Networks under the Utilities Act

During 2016–17 EAPL made no entry into landholders' property to undertake network operations. EAPL did not receive any complaints about any inconvenience, loss or damage to property resulting from network operations. EAPL also did not fail in any instances to provide seven days' notice of proposed network operations.

EAPL reported photo identification was issued for persons authorised under section 114 of the Act. Authorised patrol officers were required to undergo formal induction and training on

EAPL's procedures where officers were made aware of obligations and entry restrictions under the Act.

8.2 Licence conditions

EAPL did not report any material breaches or non-compliance with any terms of the licence or any applicable law, code of practice, directions and guidelines in 2016–17.

EAPL has, from time to time, undertaken audits of its services, operations and compliance with obligations. APA Group¹⁹ undertakes an annual compliance audit of Pipeline Management System by an external audit firm. APA Group Moomba-Witton Gas Pipeline & Laterals Periodic Audit 2017 was conducted from 29 May to 1 June 2017.

EAPL's licence requires it to maintain an emergency telephone service accessible to the public every day of the year and able to receive reports of escapes of gas. In 2016–17, EAPL reported no outage to the emergency telephone service. Pipeline easement signage and landowner annual awareness were used to ensure publicity on the ways the public can contact the EAPL for reporting escapes of gas.

In 2016–17, the quantity of gas EAPL transferred from the gas transmission network to the gas distribution network at the North Watson Custody Transfer Station increased to 3145 TJ from 3117.1 TJ in 2015–16.

There were no incidents reported that affected the gas transmission network. The licensee reported that it conducted an emergency simulation in 2016–17. An MSP²⁰ system emergency exercise was conducted in June 2017. A periodic review or assessment was also conducted in July 2016. Fifteen calls were referred to the licensee from the One Call system²¹ in relation to the Dalton to Canberra Pipeline. All landowners were contacted to inform them of how to recognise and respond to a pipeline emergency and requirements for planned works.

EAPL notified that a summary of their ULAR for 2015–16 was made available at the APA Group website.

As was noted in relation to TransGrid in the previous section the ULAR reports on EAPL's compliance with licence conditions. The technical regulation of EAPL is a substantial part of the regulation of the entity, and this covered in the Technical Regulator's annual report.

¹⁹ EAPL is a wholly owned subsidiary of APA Group. APA Group is Australia's largest natural gas infrastructure business.

²⁰ The MSP system refers to the Moomba to Sydney natural gas pipeline system between Moomba in South Australia and Wilton in Sydney. The Dalton/Canberra pipeline is part of the system and runs from the ACT north to the main pipeline running into Sydney.

²¹ Also known as the 'Dial Before You Dig' call system in the ACT and NSW. The One Call system is the generic term for such systems in Australia AS2885.3.

Abbreviations and acronyms

ACAT	ACT Civil and Administrative Tribunal
ACT	Australian Capital Territory
AER	Australian Energy Regulator
APA	Australian Pipeline Trust
CPC	Consumer Protection Code
Commission	Independent Competition and Regulatory Commission
EAPL	Environment Protection Authority
EIA	Environmental Impact Assessment
EPA	East Australian Pipeline Limited
EPD	Environment and Planning Directorate
ICRC	Independent Competition and Regulatory Commission
ICRC Act	<i>Independent Competition and Regulatory Commission Act 1997</i>
KL	Kilolitre
ML	Megalitre
NSW	New South Wales
TJ	Terrajoules
Utilities Act	<i>Utilities Act 2000</i>
WSSS	Water Supply and Sewerage Standards