

Essential Services Commission of SA

Submitted by email to escosa@escosa.sa.gov.au

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Marjorie Black House
47 King William Road
Unley SA 5061

P. 08 8305 4222
F. 08 8272 9500
E. sacoss@sacoss.org.au
www.sacoss.org.au

ABN 93 197 662 296

RE: ESCOSA's review of SA Power Networks Service Standard Framework 2015 to 2020 – Draft Decision Paper¹

Dear Commissioners,

Thank you for the opportunity to comment on the Draft Decision Paper.

As the peak body for the community services sector in South Australia, SACOSS has a long-standing interest in the delivery of essential services, in particular the cost of basic necessities like electricity because they impact greatly and disproportionately on vulnerable and disadvantaged people.

SACOSS appreciates the importance of reviewing SA Power Networks (SAPN) Jurisdictional Service Standards and understands how decisions regarding reliability processes impact on vulnerable energy consumers. Overall, SACOSS regards supply reliability an important issue and believes that incentives for all consumers to experience close to average performances are preferable to raising average standards.

SACOSS wishes to comment on the following two draft decisions proposed by the Commission.

Network Reliability Service Standards and Targets – Geographic Regions or Feeder Categories

SACOSS notes the Commission's draft decision to set reliability service standards and targets based on feeder categories rather than the geographic regions, as is the current practice. During the initiation phase of this review, SACOSS supported the position to set service targets and standards based on geographic regions.² SACOSS believes using this method recognises the issues that are unique to country regions and provides SAPN with an impetus to focus on improving reliability results for each region rather than for all consumers on average.

SACOSS also recognises the Commission's rationale to set reliability service standards and targets based on feeder categories so they align with the Australian Energy Regulator's (AER) Service Target Performance Incentive Scheme (STPIS). The Commission's rationale

¹ <http://www.escosa.sa.gov.au/projects/194/sa-power-networks-service-standard-framework-2015-to-2020.aspx>

² http://www.escosa.sa.gov.au/library/130826-SAPowerNetworksServiceStandardFramework2015-20_IssuesPaperSubmission-SACOSS.pdf

that regulatory alignment may mitigate additional costs and conflicting incentives for SAPN is considered to be reasonable.

Whilst SACOSS supports amending the segmentation of network feeders based on feeder category, to bring it in line with national regulation, this is conditional on the Commission's decision to continue monitoring and reporting reliability performance by region (as stated in the Draft Decision Paper).³ SACOSS believes a dual approach of implementing feeder category standards and continued monitoring and reporting on regional performance is favourable for a consistently reliable supply for all South Australians.

GSL Payment Scheme

SACOSS supports retaining current payment categories, the introduction of a new long duration supply interruption payment and adjusting the GSL payments to reflect changes in CPI since 2010. SACOSS believes it is important for the Commission to set SAPN a balanced level of incentives that ensures a reliable supply. It is equally important that the GSL payment scheme continues to act as a safety net for consumers and does not become a mechanism for delaying the implementation of more permanent solutions.

SACOSS encourages the Commission to continue to work with the AER to integrate the GSL scheme into the STPIS for the upcoming regulatory period.

We thank you in advance for your consideration of our comments. If you have any questions relating to the above, please contact SACOSS Senior Policy Officer, Jo De Silva on 8305 4211 or via jo@sacoss.org.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ross Womersley', written over a light grey circular stamp or watermark.

Ross Womersley
Executive Director

³ <http://www.escosa.sa.gov.au/library/131122-SAPowerNetworksServiceStandardsFramework-DraftDecision.pdf>, p. 21