

*Electricity Act 1994*



QUEENSLAND GOVERNMENT

**DISTRIBUTION  
AUTHORITY**

**No. D01/99**

issued to

**ERGON ENERGY  
CORPORATION  
LIMITED**

*Department of Energy and Water Supply*

*Originally issued on 25 June 1999  
Amended on 18 October 2000,  
11 May 2004, 29 September 2004, 30 June 2014  
and further amended on the date  
shown on page 12 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* (Queensland);

“AEMO” means the Australian Energy Market Operator;

“customer” has the meaning in the Act;

“distribution authority” means authority No. D01/99 held by Ergon Energy Corporation 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;

“isolated feeder” means a feeder which is not connected to the national grid, but excludes the Mt Isa-Cloncurry supply network, as that network is defined in the Act;

“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”;

“long rural feeder” means a feeder which is not an urban feeder or isolated feeder and has a total feeder route length of greater than 200 km;

“MSS” means minimum service standards;

“NEL” means National Electricity Law;

“NER” means National Electricity Rules;

“N-1 Event” means a credible single contingency event 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;

“Regional Centre” means a larger centre with predominantly urban feeders;

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

“Rural Areas” means those areas that are not Regional Centres;

“SAIDI” means System Average Interruption Duration Index;

“SAIFI” means System Average Interruption Frequency Index;

“short rural feeder” means a feeder which has a total feeder route length less than 200 km, and is not an urban feeder or isolated feeder;

“stand-alone power system” means a system that is not connected to the supply network of a distribution entity or special approval holder and is supplied with electricity from one or more of a number of sources including, but not limited to, a photovoltaic array, a wind generator, a micro-hydro generator and an engine generator set;

“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 that 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 supply 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.

## **2. Issue of Distribution Authority**

The Regulator, under section 195 of the Act, issues this distribution authority to **Ergon Energy Corporation Limited (ACN 087 646 062)** (the “**distribution entity**”), of 825 Ann St, Fortitude Valley Queensland 4006, to supply electricity using its supply network within its distribution area stated in Schedule 1.

[as amended on 18 October 2000 and 30 June 2014]

## **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 30 June 2014]

## **4. Term**

4.1 This distribution authority commences on 30 June 1999.

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 30 June 2014]

## **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.

[as inserted on 29 September 2004]

## **8. Distribution Network Planning**

- 8.1 Subject to clauses 9 Minimum Service Standards, 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 30 June 2014]

## **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 3.
- (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 30 June 2014]

## **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 ensure, to the extent reasonably practicable, that it achieves its safety net targets as specified in Schedule 4.
- (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.

[as inserted on 30 June 2014 and amended on the date shown on page 12 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 reliability improvement measures, where prudent opportunities to do so exist.

### **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 distribution feeders;
- (b) The distribution entity will implement a program to improve the reliability on the worst performing distribution feeders based on the criteria set out in Clause 11.2(c); and
- (c) The worst performing distribution feeder program which applies across a 5 year work program will apply to any distribution feeder which meets the following criteria:
  - (i) The distribution feeder's three year average SAIDI outcome is 200% or more of the MSS SAIDI limit applicable to that category of distribution feeder; and
  - (ii) The distribution feeder is determined to be in the 50 worst performing feeders across all feeder categories, excluding feeders with less than 20 customers.

[as inserted on 30 June 2014]

## **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 under clause 9, including the information specified in Schedule 5; 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 30 June 2014]

## **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 the 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; and
- (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 30 June 2014]

Dated this 16th day of September 2014.

*Signed by the delegate of the Regulator on the above date.*

**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 Ergon Energy Corporation Limited

The Distribution Area comprises the areas described in **A.** and **B.** below, BUT EXCLUDES the area described in Schedule 2:

#### **A. The sum of the distribution areas of the six former electricity corporations**

- (1) The Cities of Bundaberg, Cairns, Charters Towers, Gladstone, Hervey Bay, Mackay, Maryborough, Mount Isa, Rockhampton, Thuringowa, Toowoomba and Townsville; and
- (2) the Towns of Dalby and Roma; and
- (3) the whole of the Shires of Aramac, Atherton, Aurukun, Banana, Barcaldine, Barcoo, Bauhinia, Belyando, Bendemere, Biggenden, Blackall, Booringa, Boulia, Bowen, Broadsound, Bulloo, Bungil, Burdekin, Burnett, Burke, Calliope, Cambooya, Cardwell, Carpentaria, Chinchilla, Clifton, Cloncurry, Cook, Croydon, Dalrymple, Diamantina, Douglas, Duaringa, Eacham, Eidsvold, Emerald, Etheridge, Fitzroy, Flinders, Gayndah, Herberton, Hinchinbrook, Ilfracombe, Isis, Isisford, Jericho, Johnstone, Jondaryan, Kingaroy, Kolan, Livingstone, Longreach, McKinlay, Mareeba, Millmerran, Mirani, Miriam Vale, Monto, Mount Morgan, Mundubbera, Murgon, Murilla, Murweh, Nanango, Nebo, Paroo, Peak Downs, Perry, Pittsworth, Quilpie, Richmond, Rosalie, Sarina, Tambo, Taroom, Torres, Whitsunday, Wambo, Warroo, Warwick, Winton, Wondai and Woocoo; and
- (4) parts of the Shires of Balonne, Boonah, Cooloola, Crows Nest, Esk, Gatton, Inglewood, Kilkivan, Mornington, Stanthorpe, Tara, Tiaro and Waggamba,

being the sum of the distribution areas of the former—

- Far North Queensland Electricity Corporation Limited,
- North Queensland Electricity Corporation Limited,
- Mackay Electricity Corporation Limited,
- Capricornia Electricity Corporation Limited,
- Wide Bay-Burnett Electricity Corporation Limited, and
- South West Queensland Electricity Corporation Limited

immediately prior to the commencement of this distribution authority and as delineated on Maps ELEC/FNQ001, ELEC/NOR001, ELEC/MKY001, ELEC/CAP001, ELEC/WBB001 and ELEC/SWQ001 held by the Department of Energy and Water Supply<sup>1</sup>;

AND

[as amended on 18 October 2000 and on 11 May 2004]

<sup>1</sup> The maps are available for inspection at the Department's office at Level 3, 41 George Street, Brisbane.

**B. The Bulli Creek to Waggamba Subtransmission Line corridor and the Waggamba Substation site**

Parts of the Shire of Waggamba, being:

- (1) the corridor of land and easements, approximately 50 metres to 75 metres wide, within which the distribution entity's Bulli Creek to Waggamba Subtransmission Line is or is proposed to be located, as delineated on Maps ELEC/ERG/BCW001, ELEC/ERG/BCW002, ELEC/ERG/BCW003, ELEC/ERG/BCW004, ELEC/ERG/BCW005, ELEC/ERG/BCW006 and ELEC/ERG/WBC007 held by the Department of Energy and Water Supply<sup>2</sup>; and
- (2) the site of the distribution entity's Waggamba Substation, as delineated on Map ELEC/ERG/BCW008 held by the Department of Energy and Water Supply<sup>2</sup>.

[as inserted on 11 May 2004]

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<sup>2</sup> The maps are available for inspection at the Department's office at Level 3, 41 George Street, Brisbane.

## SCHEDULE 2

### Area Excluded from Supply

- (1) The following area (the “**excluded area**”) is excluded from the distribution area of the distribution entity under this authority—

The area bounded by the low water mark of the Pacific Ocean between the Daintree and Bloomfield rivers; to the North by the Southern bank of the Bloomfield River; to the South by the Northern bank of the Daintree river; and, to the West by the Western boundary of the Cape Tribulation National Park and extending from the junction of this Park with the Wet Tropics of Queensland World Heritage Area to a point on the Northern Bank of the Daintree River opposite Kilkeary Point, as delineated on Map ELEC/ERG/Daintree held by the Department of Energy and Water Supply<sup>3</sup>.

- (2) However, the above exclusion—

- (a) does not apply to the extent that a customer in the excluded area is—
- (i) being supplied electricity using the distribution entity’s supply network existing as at 18 October 2000; or
  - (ii) capable of being supplied electricity using the distribution entity’s supply network existing as at 18 October 2000, but only if, in order to provide customer connection services to the customer, it is not necessary for the distribution entity’s supply network existing as at 18 October 2000 to be extended in any way other than the installation of a service line to the customer’s premises; and
- (b) does not prevent the distribution entity from owning or operating a stand-alone power system for the purpose of supplying electricity to a customer in the excluded area.

[as inserted on 18 October 2000]

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<sup>3</sup> The map is available for inspection at the Department’s office at level 3, 41 George Street, Brisbane.

### SCHEDULE 3

#### Reliability Limits

##### 1. SAIDI limits (minutes per customer)

Feeder Type	2014/15	2015/16	2016/17	2017/18	2018/2019	2019/2020
Urban	149	149	149	149	149	149
Short Rural	424	424	424	424	424	424
Long Rural	964	964	964	964	964	964

##### 1. SAIFI limits (interruptions per customer)

Feeder Type	2014/15	2015/16	2016/17	2017/18	2018/2019	2019/2020
Urban	1.98	1.98	1.98	1.98	1.98	1.98
Short Rural	3.95	3.95	3.95	3.95	3.95	3.95
Long Rural	7.40	7.40	7.40	7.40	7.40	7.40

[as inserted on 30 June 2014]



## SCHEDULE 4

### Service Safety Net Targets

Area	Targets <i>(for restoration of supply following an N-1 Event)</i>
Regional Centre	<p>Following an N-1 Event, load not supplied must be:</p> <ul style="list-style-type: none"> <li>• Less than 20MVA after 1 hour;</li> <li>• Less than 15MVA after 6 hours;</li> <li>• Less than 5MVA after 12 hours; and</li> <li>• Fully restored within 24 hours.</li> </ul>
Rural Areas	<p>Following an N-1 Event, load not supplied must be:</p> <ul style="list-style-type: none"> <li>• Less than 20MVA after 1 hour;</li> <li>• Less than 15MVA after 8 hours;</li> <li>• Less than 5MVA after 18 hours; and</li> <li>• Fully restored within 48 hours.</li> </ul>

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

‘Regional Centre’ relates to larger centres with predominantly urban feeders.

‘Rural Areas’ relates to areas that are not Regional Centres.

[as inserted on 30 June 2014 and amended on the date shown on page 12 herein]

**SCHEDULE 5****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 30 June 2014]