



Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh

DISTRIBUTION PERFORMANCE REPORT

2001

CER/02/219

05 NOVEMBER

Introduction

Condition 13 of the Distribution System Operator's licence requires ESB Networks, as licensed Distribution System Operator (DSO) to report annually on the performance of ESB Networks. The performance criteria to be reported have been approved by the Commission for Energy Regulation in accordance with Condition 13 of the DSO licence.

Performance Criteria

The report covers the performance of the Distribution Business for the year ending December 2001 under the following headings:

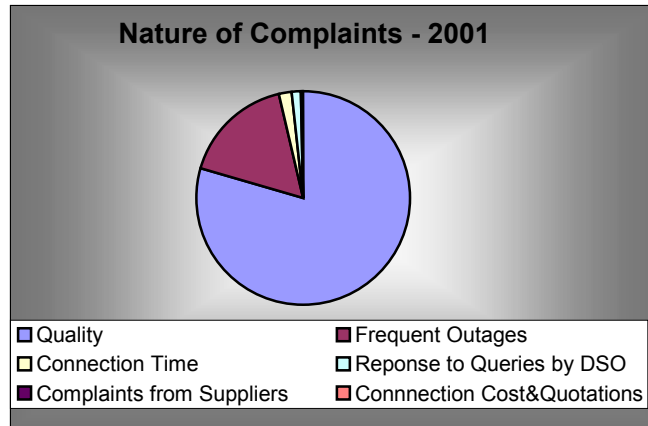
- 1.0 Customer Service
- 2.0 Cost Performance
- 3.0 Achievement of capital programme
- 4.0 Supply Quality
- 5.0 Compliance with licence requirements
- 6.0 Safety
- 7.0 Improvements in 2001

1.0 Customer Service

Critical indicators of customer service performance include service delivery by the customer contact centres (located in Dublin and Cork) and the management of complaints. In 2001, the number of Network related calls to the call centre were 875,000 (35% of total calls received)¹. One in two of these calls were answered within 20 seconds (including storm days), while one in ten calls were dropped (i.e. where the customer has hangs up without waiting for a response). The nature of these network related complaints are categorised below.

¹ The % of Networks calls as a proportion of the total calls to the call centre (35%) is determined from recent surveys carried out on particular days adjusted and extrapolated over the year. This % was used to calculate the annual numbers of Networks calls.

Figure 1: Categories of Network Related Complaints in 2001



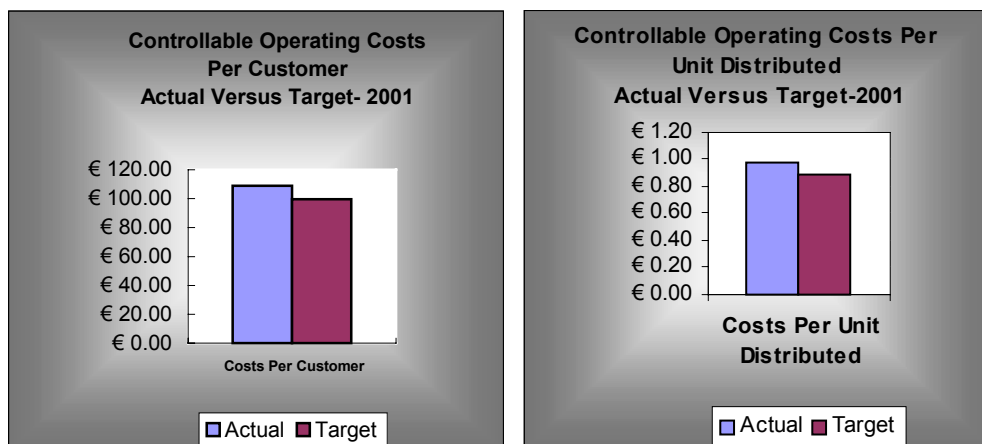
Complaints not adequately dealt with by ESB Networks are referred to ELCOM, the Complaints Arbitrator. Of the 167 complaints resolved by Elcom during the year 2001, 124 were Networks related.

2.0 Cost Performance

The Commission for Energy Regulation has set out, in the 2001 allowed Revenue to ESB Networks, targets for operating expenditure, which are more directly controllable than other expenditure categories included in the allowed Revenue. Figure (2) (below) summarises ESB Network's performance in relation to two key criteria.

Note: Controllable costs include day-to-day operating costs of ESB Networks (e.g. Networks repairs, operations, planned & fault maintenance and metering)

Figure 2: Controllable Costs - 2001



3.0 Achievement of Capital Programme

ESB Networks has agreed a capital programme with the Commission for Energy Regulation for completion covering the period 2001-2005. An important part of this capital programme is the “Network Renewal Programme”, which targets renewal of 42% of the Medium Voltage (MV) network by 2005. Some key indicators of ESB Networks performance in relation to its overall capital programme and in particular, the “Network Renewal Programme” are summarised in table (1) below.

Table 1: Investment and Renewal in 2001

| Level of Investment & Renewal. | 2001 |
|--|----------------|
| <u>Total Capital Investment Programme</u> | |
| Percentage of Allowed Capital Spent | 94% |
| <u>Network Renewal Programme</u> | |
| Target coverage for 2001 | 2100 km |
| Actual km's renewed | 878km |
| % Target achieved | 42% |

4.0 Supply Quality

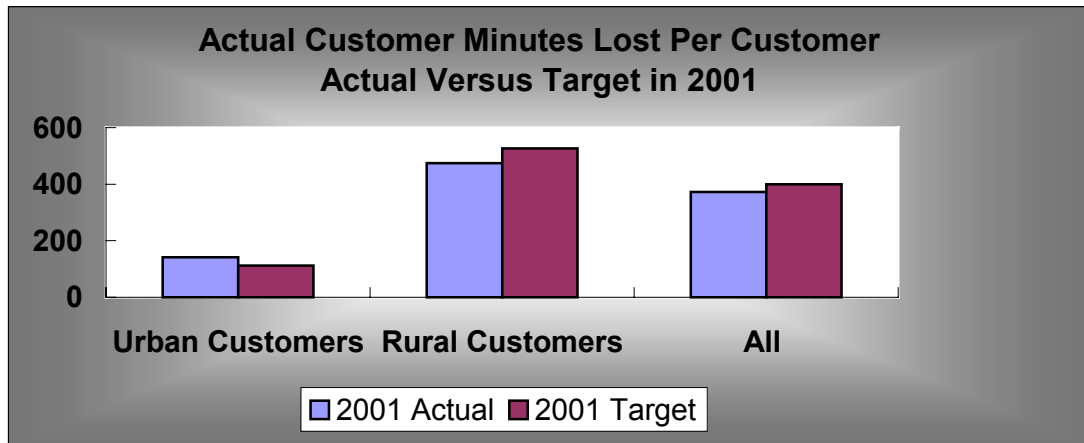
Continuity of Supply is measured by the availability of supply index (minutes lost per connected customer per annum (CML)). Quality of Supply is an important aspect of distribution system performance. As the effects of severe weather can cause wide variations in these measures days, for which the reported customer minutes lost are more than two standard deviations from the mean, are excluded

Table 2: Categorisation of Outages in 2001

| Number of Outages (excluding storms) | | | | | Value |
|---|------------------------|----------------|------------------------|----------------|--------------|
| Voltage | Urban customers | | Rural customers | | Total |
| | Fault | Planned | Fault | Planned | |
| LV | 4086 | 27 | 15483 | 539 | 20135 |
| 10kV | 716 | 243 | 10462 | 9273 | 20694 |
| 20kV | 18 | 0 | 1334 | 997 | 2349 |
| 38kV | 7 | 0 | 93 | 0 | 100 |
| > 38 kV | 1 | 0 | 8 | 0 | 9 |
| Total | 4828 | 270 | 27380 | 10809 | 43287 |

The Commission for Energy Regulation has included an incentive/penalty in relation to customer minutes lost (CML) in the 2001-2005 Determination of Allowed Revenue for ESB Networks. Figure (3) illustrates the actual CML versus targets set in 2001.

Figure 3: Customer Minutes lost in 2001



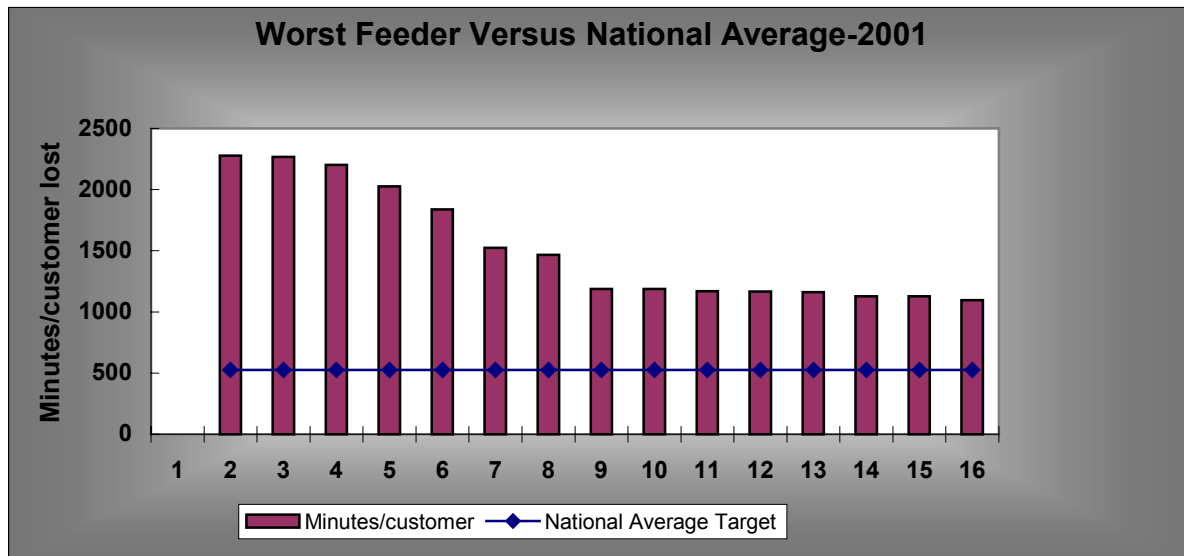
Of the total fault outages (32,208) recorded in 2001, 18% exceeded the four-hour restoration time set by the Commission for Energy Regulation. The target set by the Commission stated, in ESB Networks Customer Charter, that 95% of the fault outages would be restored within 4 hours.

Table 3: Description of Faults (Not inclusive of planned outages)

| Description of Faults | Value |
|---|-------|
| Percentage of faults exceeding 4 hours restoration time | 18% |
| Verified voltage complaints | 2736 |

Figure (4) shows the MV feeders with the highest CML per customer connected as recorded on the trouble call management system.

Figure 4: Customer Minutes lost from 15 Worst Feeders.



5.0 Compliance with Licence Requirements

A key factor for ESB Networks, as the entity appointed to carry out the functions set out in the DSO licence, is to comply with all aspects of the licence. In order to monitor this, a compliance log is maintained in which reported breaches of compliance are noted and reports on the subsequent investigations are filed. Table 4 Categorises the nature of these breaches of compliance, of which there were four in 2001.

Table 4: Compliance Issues in 2001

| No. of Reported Incidents | Description of Compliance Issue |
|---------------------------|--|
| 2 | Non-notification of outages to non ESB Supply Customers |
| 1 | Inaccurate data issued to Suppliers |
| 1 | Failure of call centre staff to deal with complaints from non-ESB Supply customers |

6.0 Public Safety

Public safety is a very important factor for the Distribution Business. With the sharp increase in construction activity over the last few years, the number of notifiable dangerous occurrences reported to the Health and Safety Authority has increased. Table (5) lists the number of incidents

broken down by third party and non-third party (genuine faults in the network).

Table 5: Number of Third Party/ Non Third Party Incidents

| No. of safety incidents | No. of Faults |
|----------------------------------|---------------|
| 3 rd Party Faults | 764 |
| Non-3 rd Party Faults | 532 |

7.0 Improvements in 2001

During 2001 various processes were introduced to improve this service.

Customer Service

The program to improve ESB Networks customer information continued during 2001. Achievements include:

- The implementation of a centralised register to ensure that customers receive standardised connection agreements and quotation letters;
- The publication of the Electrical Services Guidebook for Housing Schemes in May 2001;
- The centralisation of multi-site customer care;
- Ongoing customer surveys to gauge customer opinion of ESB Networks. These surveys have indicated that customer perception of ESB Networks is continuing to improve.

Performance Improvement

A further 46 ESB Substations were upgraded for use of the supervisory and data acquisition system (SCADA). SCADA provides powerful centralised facilities for remote monitoring and operation of substations. Its benefits include significantly improved operating performance, supply reliability, safety and customer service. SCADA is the foundation for distribution automation generally. It provides automated control down to distribution station level and provides the basis for extending automation out on the MV distribution networks.

The Distribution Automation Scheme continued throughout 2001. A total of 27 downline reclosers were fitted with GSM modem control and the facility to

operate all of these devices was extended to the SCADA control centres in Dublin and Cork.

As part of ESB Network's protection policy, 35 downline reclosers were installed in 2001. This again aims to reduce outages to customers by restoring supply to customers almost instantaneously due to transient faults on the networks.

Market Opening

ESB Networks has a number of projects and initiatives in place to facilitate the ongoing opening of the market in preparation for complete market opening in 2005.

In 2001, the Meter Registration System Operator (MRSO) streamlined the Change of Supplier process for eligible customers by replacing the special reads, with a combination of last scheduled read and profile data from the data collection system. This has resulted in a more efficient and faster change of supplier process.

A new upgraded data collection system with increased capacity was introduced during the year in order to facilitate data collection for the expanded eligible market. In addition, approximately 1,200 profile meters were installed by year-end in eligible customer sites.

The Metering and Data Services Project (commissioned by CER) completed the business process review with the Market Review Group and issued Requests for Proposals during 2001.

Business Separation

It is a condition of the DSO (Distribution System Operator) and TAO (Transmission Asset Owner) licences that there is "complete and effective separation" of the DSO/TAO businesses from other businesses of ESB, "subject to such arrangements as the Commission may approve in the interests of economic efficiency". ESB Networks recognises the importance of effective Business Separation, and agreed terms of reference for a Business Separation project with the CER on 16th November 2001.

The project, headed by a senior manager and with a full-time team, is in the process of developing a comprehensive business separation plan and will oversee implementation of this plan following its agreement with the CER. In addition, a number of initiatives in relation to business separation were achieved in 2001, including organisational changes,

Certain short-term Business Separation initiatives were agreed with the CER in 2001, and a number of these were completed, or substantially completed, by the year-end:

- transition arrangements for management reporting within the then Irish Electricity organisation;

- reconfiguration of the Financial Management Information System;
- development of a Compliance Code of Conduct;
- facilitation of Business Separation through unitisation of clerical/administrative functions.

Independently of the Business Separation Project, the principle of Networks business separation had already been established in:

- a separate Networks business with independent management structures;
- the unbundling of ESB Network's accounts;
- establishment of a compliance function.

Appendix 1:

| Description of criteria | Value |
|--|-------|
| <u>Storms and exceptional events</u> | |
| Number of storm days | 3 |
| Description of storm days | |
| 6 th February 2001 | |
| The country experienced strong to gale force South to Southwest winds gusting 60 to 75mph with the strongest winds over Munster and Leinster. Areas affected included Waterford, Killarney, Bandon, Cork, Enniscorthy, Fermoy and Clonmel. Approximately 30,000 customers were affected by this storm. | |
| 27 th February 2001 | |
| Northerly winds and heavy snow persisted throughout the midlands and east of the country. Heavy snow, ice and blizzard conditions resulted in MV and LV faults in Co. Wicklow, Co. Dublin and Co. Louth. Approximately 50,000 customers were affected by this storm. | |
| 26 th June 2001 | |
| A thunder and lightning storm with heavy rain and flash flooding affected a number of areas including Cork, Fermoy, Bandon, Waterford, Clonmel, Kilkenny, Carlow, Enniscorthy, Mullingar, Dublin North and Cavan. Approximately 60,000 customers were affected by this storm. | |
