



Performance Reporting Criteria

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ESB Networks Ltd.

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1. Background

Condition 13 of the DSO licence and condition 11 of the TAO licence requires the submission of a report setting out the criteria against which the performance of the Distribution System Operator's business and the Transmission System Owner's business can be measured. These criteria are required to be reviewed periodically and any revisions are subject to the approval of the Commission. These licence conditions also require a report to be submitted annually which details the performance against the criteria specified in this report.

This report sets out the criteria against which the performance of the Distribution System Operator's business and the Transmission System Owner's business can be measured and are to be reported on annually.

2. Report Headings

The criteria to be reported upon should provide a general overview of the performance of the Distribution System Operator's business and the Transmission System Owner's business and should reflect, where possible, normal management reporting on the business. Detailed reporting will form part of the regulatory accounting reporting.

Performance should be reported under the following headings:

- Customer Service
- Cost Performance
- Capital Programme
- Supply Quality & Reliability
- Safety
- Sustainability
- SLA Performance
- Compliance with licence conditions

3. Criteria

3.1 Customer Service

A critical factor in the delivery of service to our customers is the performance of the Customer Contact Centre. Key indicators of customer service performance include service delivery by the customer contact centre and the treatment of complaints by ESB Networks staff. The criteria for customer service are as follows:

Call-handling response:

- Percentage of calls answered within 20 seconds.
- Percentage of calls 'dropped' i.e. where the customer has hung up without waiting for a response.

The volume of complaints received by ESB Networks will be reported under the following categories:

- Low voltage
- Frequent outages
- Time to connect new customers
- Operation delays and overruns
- Received from Suppliers
- Connection costs and budget quotations
- Meter reading and estimated reads
- Others

Volume of customers disconnected:

Another service provided by ESB Networks is the disconnection of supply to customers' premises. The volume of customers disconnected is reported under the following types of disconnection:

- Connection points terminated:
These are connection points in vacant premises that have been terminated following previous de-energisation.
- Connection points de-energised:
These are de-energisations that are requested by suppliers due to non-payment of account by the customer.

3.2 Cost Performance

Cost performance is obviously a critical area in evaluating the performance of the business. The Commission has continually set very stretching targets for operating expenditure and ESB Networks will aim to achieve these and, if possible improve on them.

The two key cost criteria which should be applied to reflect costs associated with the Distribution System Operator's business are:

- Controllable operating cost per unit distributed.
- Controllable operating cost per customer.

The key cost criteria which should be applied to reflect costs associated with the Transmission System Owner's business is:

- Total Transmission Operating costs compared to the allowed costs for that period.

3.3 Capital Programme

ESB Networks have an extensive Distribution capital investment programme to undertake over the 2011-2015 period. This programme will deliver improvements in network condition, security and performance, connect new demand and generation customers, improve the quality of supply to customers and deliver key national sustainability projects.

ESB Networks also have to deliver the required Transmission capital investment programme, as specified by the TSO over this period.

Progress of the following capital investment programmes shall be reported:

- % of the overall Distribution System capital investment programme achieved to date
- % of the overall Transmission System capital investment programme achieved to date
- LV Urban refurbishment
- LV Rural refurbishment
- MV Overhead cyclical refurbishment
- 38kV Line refurbishment
- 20kV conversion
- Substation capacity added
- Volume of new connections

3.4 Supply Quality & Reliability

It is critical that any set of supply quality and reliability performance criteria includes measures to evaluate ESB Networks' progress in improving the continuity of supply in terms of customer minutes lost and customer interruptions per annum and improving the quality of supply in terms of the voltage levels being within the standards. Continuity of supply will be the subject of ongoing reporting to the Commission as incentives and penalties are to be applied to this. Improvements in voltage quality can be reflected in the resolution of voltage complaints.

It is proposed, therefore, that the following criteria will be reported on:

- Number of planned and unplanned outages causing interruptions at MV and LV
- Number of unplanned and planned CML and CI incurred
- Storms and exceptional events. Report on all events where the CML incurred is more than 61,570 CML.
- Faults on the network which take longer than 4 hours to restore supply.
- Number of reports of problems relating to voltage quality
- Number of verified problems relating to voltage quality
- Status of various System Operation improvements made on the networks

3.5 Safety

Public safety is a very important factor for ESB Networks. Apart from the requirements imposed by Health and Safety legislation, safety incidents can undermine public confidence and create negative publicity. Dangerous incidents can occur as a result of a fault on the networks or could be due to a 3rd party coming into contact with the networks. These incidents are reported under the following categories:

- 3rd Party plant damages (excluding underground cable dig-ins)
- 3rd Party plant damages caused by underground cable dig-ins.
- Non 3rd party – MV and 38kV notifiable fault incidents
- Non 3rd party – LV notifiable fault incidents

3.6 Sustainability

As set out in the strategy document “Sustainable Networks Strategy Towards 2020”, the vision for ESB Networks is to become a world class sustainable networks business. This will be achieved by the delivery of infrastructure and services that support national economic growth and sustainability targets and business and value growth underpinned by excellence in safety, service, asset management and people development.

Progress under the various initiatives put in place to achieve these targets will be reported on, these include the following:

- Renewable Generation
- Smart Networks
- Internal Carbon Footprint Reduction

3.7 SLA Performance

Service Level Agreements (SLA) set out the target service levels that ESB Networks will operate to in providing market services to all market participants. The format of the SLA's, in general terms outline the time frames within which suppliers can expect the required transactions to have been completed in response to the supplier message. These market messages and related SLA's are based on agreed processes approved by CER. They set out performance standards which ESB Networks must strive to achieve and report on, as laid down in condition 13 of the DSO licence. Performance against each SLA shall be reported.

3.8 Compliance with Licence Requirements

A key factor for ESB Networks, as the entity appointed to carry out the functions set out in the DSO and TAO licences, is to comply with all aspects of these licences. Reports of breaches of compliance may arise from complaints from external sources, for example, suppliers or from a source within ESB.

However the number of complaints received or breaches found tends to be very low and does not permit meaningful measurement of performance.

Under the requirements for the separation of the DSO and the TAO from each other Affiliate, Related Undertaking or shareholder, reports on compliance are required. A compliance programme has been approved by CER which requires the DSO and TAO to submit a compliance report on an annual basis. The following items relating to licence compliance shall be reported:

Records and Reporting:

A list of all the sections included in the performance report that meet the reporting requirements contained in the DSO and TAO licences.

Access to Land and/or Premises:

Condition 17 of the DSO Licence requires the Licensee to keep a record of its general operation of the arrangements outlined in Condition 14 of the licence. Details regarding the records of general operation that are kept by ESB Networks relating to Access to Land and/or Premises shall be reported.

Market Services:

Condition 17 of the DSO Licence requires the Licensee to keep a record of its general operation of the arrangements mentioned in Conditions 7, 8, 9, 13, 14 and 15 of the licence. Details regarding the records of general operation that are kept by ESB Networks under the requirements of the following conditions are to be reported on:

- Condition 7: Detection and Prevention of Theft of Electricity
- Condition 8: Meter Point Registration Service
- Condition 9: Provision of Metering and Data Services

Asset Register:

A list of all assets will be provided to the Commission as per condition 5 of the licence.