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## Guaranteed Service Level payments for 28 December storm

SA Power Networks estimates it will make Guaranteed Service Level (GSL) payments of the order of \$20 million to customers following the late December storm event, when about 155,000 customers were without power.

GSL payments are paid for the inconvenience associated with extended outages. They are processed automatically to customers. The payments apply for customers who have had outages exceeding 12 hours with payments starting at \$100 and climbing to \$605 for customers without power for over 48 hours.

"This is the worst storm event we have ever experienced in terms of minutes of supply lost for customers and in terms of the amount we will need to pay in Guaranteed Service Level payments," said SA Power Networks spokesman Paul Roberts.

"Our preliminary estimates suggest this storm had about three-times the impact of previous major storm events in February 2014 (GSL payments of \$7 million) and July 2016 (GSL payments of \$4 million).

"Our very preliminary estimate is that we will have to make payments of the order of \$20 million to about half of the customers affected in the 28 December storm. This clearly demonstrates the significant nature of the storm, the widespread damage and the number of customers affected.

"Our preliminary figures also show that this single storm event is the worst we have had in terms of minutes of supply lost. (On average each year South Australians are without power for 168 minutes. This storm alone will exceed that figure). Experienced SA Power Networks operational managers say the damage was the worst they had seen in 30 years."

Mr Roberts said it would be some time before a final figure for GSL payments was confirmed.

"Determining the level of payments requires examination and verification of outages and customers affected; when a specific customer's power was restored; and exclusion of any time delays where restoration was unable to be undertaken, such as high winds preventing crews from being able to work safely, or due to restricted access. For example, we were unable to undertake restoration work in the Adelaide Hills for many hours as wind gusts reached up to 120kmh and the winds did not abate until around 9am."

Mr Roberts said GSL payments were put in place by the Essential Services Commission of SA many years ago in recognition of inconvenience for customers experiencing extended outages and to provide an incentive, where cost effective, for investment in improved reliability. SA is the only mainland State where GSLs are paid in relation to storms. "The estimated cost of alternatives to minimise storm impacts, such as undergrounding of lines (\$30 billion to \$40 billion), or widespread tree clearances, would not be acceptable to the community, or likely to be approved by the Regulator," he said.

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