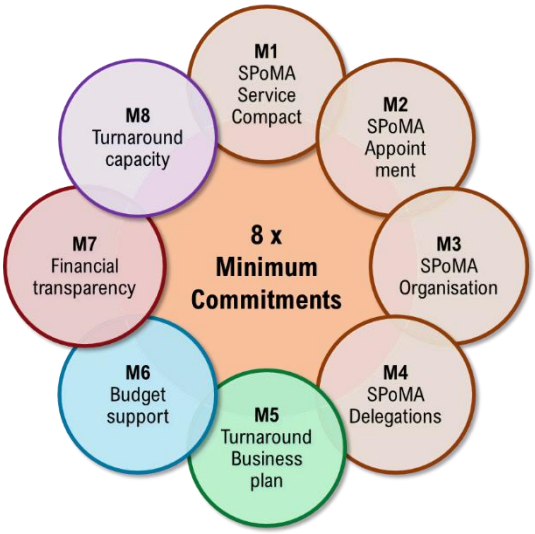
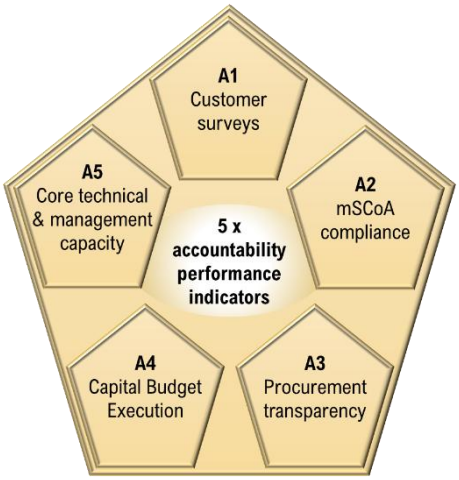
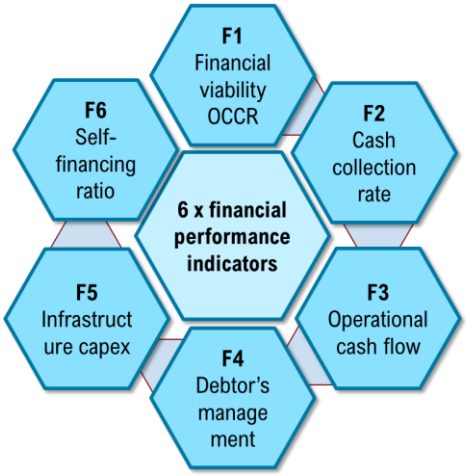
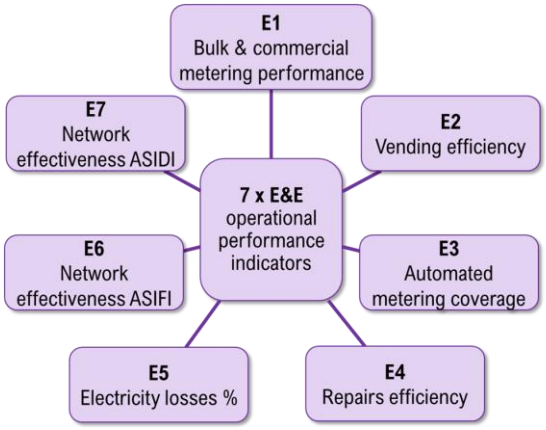
METRO TRADING SERVICES REFORM
MINIMUM COMMITMENTS AND PERFORMANCE INDICATORS
PERFORMANCE INTERPRETATION AND EVIDENCE REQUIREMENTS

ELECTRICITY & ENERGY A3-PIAP v2: READINESS CHECK LIST









MINIMUM COMMITMENTS M1 – M8

	M1 SPoMA Service Compact	M2 SPoMA Appointment
Performance Interpretation	**Benchmark: Service Compacts reflects and re-enforces SPoMA.** • By end of Y0: Council Commitment to service compact • **By end of Y1: Council approval of service compact** • By end of Y2 – Y6: Implementation and retention of service compact.	**BENCHMARK: Commitment by metro, appointment of new executive officer of utility business, per annual targets.** • By end of Y0: Commitment to appropriate appointment process as outlined • **By end of Y1: New appointee in place** • By end of Y2–Y6: Appointee supported to remain in place.
Evidence	• Copy of Council approved Service Compact (Y1) • Evidence of Council approval. (Y1) • Report from City Manager and SPoMA confirming implementation and retention of compact (Y2-Y6)	• SPoMA Job Description (Y1) • SPoMA appointee profile and qualifications (Y1) • SPoMA performance contract (Y1) • Letter of appointment (Y1) • Report from City Manager confirming appointment and/or change (Y2-Y6)
	• M3 SPoMA Organisational Structure	• M4 SPoMA Delegations
Performance Interpretation	**Benchmark = organisational structure which support the delegations and effective functioning of the trading service as SPoMA** • By end of Y0: Council Commitment to revising and approving org structure to support SPoMA delegations • **By end of Y1: Council approves org structure as required** • By end of Y2-Y6: Implementation and retention of org structure as required.	**Benchmark: Formal delegation commitment by Council, delegations in place in target year, retention in place over remainder of period.** • By end of Y0: Council commitment for delegations for full SPoMA • **By end of Y1: Delegations in place** • By end of Y2-Y6: Delegations remain in place.
Evidence	• Copy of approved Organisational structure (Y1) • Evidence of approval by Council or City Manager under Council delegation (Y1) • Report approved by City Manager and SPoMA confirming progress and retention of structure (Y2-Y6)	• Copy of approved Delegations Document (Y1) • Evidence of approval by Council or City Manager under Council delegation (Y1) • Report approved by City Manager and SPoMA confirming implementation and retention of delegations (Y2-Y6)
	M5 Financial Model and Business & Investment Plan	M6 Budget support of TS business & investment plan
Performance Interpretation	**Benchmark: Annual trading service business plan as defined** • By end of Y0: Council commitment to production and approval of a business and investment plan for the utility by end of Y1 • **By end of Y1: Council approves turnaround and reform business plan and budget** • By end of Y3 – Y6: annual submission & approval of revised business plans • NB: The business plan must be funded and reflected in Council budgets per indicator M5.	**BENCHMARK: Planned trading services opex and capex for each FY, as reflected in A3-PIAP costing and funding sheets, are evident and reflected in corresponding metro budgets for that financial year.** • By end of Y0: Council commitment to supporting the budgetary and funding implications of the business plan and budget • **By end of Y1: Council budget for Y2 reflects and is consistent with M7.** • By end of Y2 – Y6: Council budgets and AFS continuously reflect and are consistent with M7.
Evidence	• Copy of council approved BIP (Y1-Y6) • Evidence of Council approval (Y1-Y6) • CSP advisory letter to CM (Y1-Y6) (IVA need not agree)	• Report approved by City Manager and SPoMA confirming budget support of BIP (Y1-Y6) • LGBA advisory letter to CM (Y1-Y6) (IVA need not agree)
	M7 Financial Transparency – separate AFS	M8 Support for org change & increased delivery
Performance Interpretation	**Benchmark: Preparation of full Trading Services AFS per year per specimen formats issued by NT, accompanied by an annual report** • By end of Y0: Council Commitment to preparation of Trading Services AFS separately • By end of Y1: Separate TS AFS, flows and balances statement, and annual report produced and published as regulated • By end of Y2-Y6: separate TS AFS and AR produced as regulated.	**Benchmark: Additional capacity that responds to requirements outlined in Annexures A1 (Institutional Road Map) and A2 (Business & Investment Plans), as further developed, is in place:** • By end of Y0: Council Commitment to put additional capacity in place that responds to requirements outlined in A1 and A2 • By end of Y1: Effective change management & project implementation support, with approved change management plan in place • By end of Y2 – Y6: implementation and continued refinement of the plan ***NB1:*** *The costs and funding of the additional change management and project management capacity must be incorporated into the metro budget per M5.* ***NB2:*** *The additional change management and project management capacity is required to implement the business plan (M7), yet must be put in place parallel to that business plan being developed.*
• Evidence	• Annual Financial Statements (Y1-Y6) • Flows & balances statement (Y1-Y6) • Annual report (Y1-Y6)	• Change Management Plan approved by CM & SPoMA (Y1) • CM report on support to the Change Management Plan (Y1) • CSP advisory letter to CM (Y1-Y6) (IVA need not agree) • Report approved by CM & SPoMA confirming implementation and refinement of plan (Y2-Y6)

ACCOUNTABILITY A1 – A5

	A1 Customer Surveys	A2 Financial Accounting - *m*SCOA compliance
Performance Interpretation	**Benchmark at least 70% customer satisfaction result (per trading service), improving year on year** By end of Y0: **By end of Y1: Customer satisfaction improvement plan incorporated in business plan; substantive targets set for Years 2 – 6** By end of Y2–Y6: Improvement in headline result: progress against plan.	**Benchmark: full compliance with *m*SCOA requirements** By end of Y0: Baseline position **By end of Y1: CM plan of *m*SCOA compliance, countersigned by *m*SCOA team** By end of Y2–Y6: CM certificate of *m*SCOA compliance, countersigned by *m*SCOA team.
Evidence	• Customer satisfaction improvement plan (Y1) • Report approved by SPoMA of results of customer satisfaction survey (Y2-Y6)	• CM certificate of mSCOA implementation plan including targets, countersigned by mSCOA team (Y1) • CM certificate of mSCOA compliance, countersigned by mSCOA team (Y2-Y6)
	A3 Public Procurement Transparency	**A4 Capital Budget Execution**
Performance Interpretation	**Benchmark: full transparency** By end of Y0: **By end of Y1: Baseline to be set with trading service business plans and targets for improvement in trading services procurement transparency** By end of Y2 – Y6: implementation of the plan.	**Benchmark = 90%** By end of Y0: **By end of Y1: Plan with targets for increasing tech and management capacity** By end of Y2 – Y6: implementation of the plan.
Evidence	• Report approved by SPoMA on baseline and plan to achieve full transparency (Y1) • SCM performance claim report approved by SPoMA linking to functioning data (Y2-Y6)	• Report approved by SPoMA on baseline and plan to achieve target (Y1) • System-generated report with data & calculated result (Y2-Y6)
	A5 Core technical and management capacity	
Performance Interpretation	**Benchmark = to be set as part of business plan (M7)**[1] By end of Y0: **By end of Y1: Plan with targets for increasing tech and management capacity** By end of Y2 – Y6: implementation of the plan.	
Evidence	• Report approved by SPoMA on baseline and plan for capacity improvement (Y1) • Report approved by SPoMA on implementation and progress (Y2-Y6)	

[1] Number of registered persons per 100,000 of population: 1 Professional Engineer, 2 Professional Engineering Technologists, 5 Professional Engineering Technicians. For Gender equity, aligned with Metro approved gender policy and progressively working towards 50%

FINANCIAL F1 – F6

	F1 Financial Viability OCCR	F2 Cash Collection Rate
Performance Interpretation	**Benchmark = 1.5 to 2 (as determined in financial model and business plan)** By end of Y0: n /a **By end of Y1: Plan with targets to approach / reach benchmark** By end of Y2–Y6: percentage achievement of targets.	**Benchmarks: 95% for water and 98% for electricity.** By end of Y0: n /a **By end of Y1: Plan with targets to approach / reach benchmark** By end of Y2–Y6: percentage achievement of targets.
Evidence	• Report approved by SPoMA on baseline and plan backed up by Financial model and BIP (Y1) • System-generated report with data & calculated result (Y2-Y6)	• Report approved by SPoMA on baseline and plan backed up by Financial model and BIP (Y1) • System-generated report with data & calculated result (Y2-Y6)
	F3 Operational Cash Flow	**F4 Customer Debt Management – debtors-days**
Performance Interpretation	***Benchmark* = Performance target as per financial model and business plan showing a financial turnaround and substantial improvement in cash from operations.** By end of Y0: n /a **By end of Y1: Plan with targets to approach / reach benchmark** By end of Y2–Y6: percentage achievement of targets.	***Benchmark* <60 days** By end of Y0: n /a **By end of Y1: Plan with targets to approach / reach benchmark** By end of Y2–Y6: percentage achievement of targets.
Evidence	• Report approved by SPoMA on baseline and plan backed up by Financial model and BIP (Y1) • System-generated report with data & calculated result (Y2-Y6)	• Report approved by SPoMA on baseline and plan backed up by Financial model and BIP (Y1) • System-generated report with data & calculated result (Y2-Y6)
	F5 Infrastructure Capex on PPE	**F6 Self-financing ratio**
Performance Interpretation	***Benchmark = 200% subject to business & investment planning*** By end of Y0: n /a **By end of Y1: Plan to approach / reach benchmark** • By end of Y2–Y6: implementation.	***Benchmark = 100% subject to business & investment planning*** By end of Y0: n /a **By end of Y1: Plan with targets to approach / reach benchmark** • By end of Y2–Y6: percentage achievement of targets.
Evidence	• Report approved by SPoMA on baseline and plan backed up by Financial model and BIP (Y1) • System-generated report with data & calculated result (Y2-Y6)	• Report approved by SPoMA on baseline and plan backed up by Financial model and BIP (Y1) • System-generated report with data & calculated result (Y2-Y6)

OPERATIONAL E&E E1 – E7

	E1 Industrial[2] and Commercial Metering Performance	E2 Prepayment Efficiency
Performance Interpretation	**Benchmark = >98%** By end of Y0: n /a **By end of Y1: Plan with targets to approach / reach benchmark** By end of Y2–Y6: percentage achievement of targets.	**Benchmark for both uptime and active meters in the system= >98%** By end of Y0: n /a **By end of Y1: Plan with targets to approach / reach benchmark** By end of Y2–Y6: percentage achievement of targets.
Evidence	• Report approved by SPoMA on baseline and plan (Y1) • As per EE4.11 of Circular 88 (Y2-Y6)	• Report approved by SPoMA on baseline and plan (Y1) • As per EE4.12 of Circular 88 (Y2-Y6)
	E3 Automated Meter Reading Coverage	**E4 Repairs Coverage**
Performance Interpretation	**Benchmark = better than NERSA benchmark** By end of Y0: n /a **By end of Y1: Plan with targets to approach / reach benchmark** By end of Y2–Y6: percentage achievement of targets.	**Benchmark = better than NERSA benchmark** By end of Y0: n /a **By end of Y1: Plan with targets to approach / reach benchmark** • By end of Y2–Y6: percentage achievement of targets.
Evidence	• Report approved by SPoMA on baseline and plan (Y1) • As per EE4.13 of Circular 88 (Y2-Y6)	• Report approved by SPoMA on baseline and plan (Y1) • As per EE4.14 of Circular 88 (Y2-Y6)
	E5 Total Electricity losses	**E6 Average System Interruption Frequency Index (ASIFI)**
Performance Interpretation	**Benchmark = better than NERSA benchmark** By end of Y0: n /a **By end of Y1: Plan with targets to approach / reach benchmark** By end of Y2–Y6: percentage achievement of targets.	**Benchmark = better than NERSA benchmark** By end of Y0: n /a **By end of Y1: Plan with targets to approach / reach benchmark** By end of Y2–Y6: percentage achievement of targets.
Evidence	• Report approved by SPoMA on baseline and plan (Y1) • As per EE4.4 of Circular 88 (Y2-Y6)	• Report approved by SPoMA on baseline and plan (Y1) • As per EE3.6 of Circular 88 (Y2-Y6)
	E7 Average System Interruption Duration Index (ASIDI)	
Performance Interpretation	**Benchmark = better than NERSA benchmark** By end of Y0: n /a **By end of Y1: Plan with targets to approach / reach benchmark** By end of Y2–Y6: percentage achievement of targets.	
Evidence	• Report approved by SPoMA on baseline and plan (Y1) • As per EE3.5 of Circular 88 (Y2-Y6)	

[2] See NERSA regulatory definitions of the terms