

AusNet Services EDPR Customer Forum

Week 11 Minutes: 14, 18, 19 February 2019

Attendees

Customer Forum (CF)	AusNet Services (AST)
Tony Robinson	Tom Hallam
Helen Bartley	Charlotte Eddy
John Mumford	Deirdre Rose
Greg Camm	Michael Larkin
Dianne Rule	Stephanie Judd
	Justin Harding
	Justin Betlehem
	John Preston
	Tom Langstaff
	Jason Pollock

Thursday, 14 February 2019

Customer research

The Forum noted the need for additional customer research on electric vehicles if this were to be supported within the proposed innovation program.

Possible changes to the Regulatory Proposal

The Forum noted that they would like to ensure that the following impacts are considered:

- Slowing housing development, including in AusNet Services' growth corridors around Clyde North and Doreen
- Federal election outcome.

On opex, the Forum asked about the GSLs forecast and the potential for AusNet Services to absorb controllable GSLs. AusNet Services advised that GSLs are being considered within the Essential Services Commission (ESC) review of the Victorian Distribution Code, which will continue until the end of 2019. Hence, the position on GSLs will not be fully resolved until after our Regulatory Proposal is submitted in July 2019. AusNet Services noted that in other jurisdictions regulators are considering the impact of GSL costs adding to the bills of vulnerable customers and whether they are sufficiently targeted.

AusNet Services advised the Customer Forum that the Victorian Government is considering whether to change the Victorian distribution businesses' regulatory periods from calendar to financial years. This would be likely to delay submission of the regulatory proposals by six months – to January 2020. The Victorian Government may make a decision on this within the next month. If this decision were made, AusNet Services would discuss the implications with the Customer Forum.

Feedback on first deep dive (held by AusNet Services on 11 February)

The Customer Forum offered the following general comments on the first deep dive:

- Condense the amount of time that AusNet Services presents to allow more time for discussion
- Make the questions posed more customer-oriented e.g. to understand potential customer benefits
- The value of the first deep dive was reduced given that AusNet Services' Draft Proposal hadn't been released, and hence it should have been deferred
- Some aspects of the presentation slides didn't provide sufficient context on Customer Forum decisions e.g. on the agreement to some aspects of cloud IT opex step change
- Produce a short summary of the Draft Regulatory Proposal
- Increase and expand the reach of the customer representatives attending the Deep Dives, including through local council networks
- Put a report of the Deep Dive on line and send to the participants. Follow up on recommended actions
- Consider speaking about the Draft Regulatory Proposal at community group meetings e.g. Rotary meetings in regional areas.

The discussion at the deep dives was reflected on by the Customer Forum and AusNet Services.

On reliability, large business customers have specific needs in relation to reliability of supply that may not be economically met by building out the network. The Customer Forum considers that AusNet Services has a role in educating large businesses about how to resolve their reliability problems, including where a solution behind the meter is needed.

On the Customer Satisfaction Incentive Scheme (CSIS), the Customer Forum discussed its ability to specifically address large business customer satisfaction and rural customers (particularly in relation to outages). AusNet Services pointed out that the needs of the very largest customers are often bespoke and these are better dealt with directly. AusNet Services has appointed a large business liaison manager. We are ensuring that these customers are on the best possible network tariff.

Resistance to the CSIS by some advocates was noted.

On innovation expenditure, the Customer Forum recommended the following in line with some of the comments made by other advocates to better support a case for innovation expenditure:

- Demonstrate how we are collaborating – this has made a real difference in the success of cancer research
- Outline the practical benefits that innovation has had for customers e.g. better management of load shedding
- Better identification and articulation of customer benefits is needed.

Monday, 18 February 2019

Innovation expenditure

The further session to discuss the next steps on the innovation program covered the following:

- The Customer Forum questioned whether the publicly listed distribution businesses would be motivated to collaborate. AusNet Services is strongly motivated to collaborate and does so. We can explore further opportunities for innovation and collaboration, including with the other Victorian DBs.
- There was recognition that the outcomes and benefits of strategic, long term innovation can be uncertain – making it difficult for us to be definitive about customer benefits
- The Customer Forum recommended that we improve the articulation of our innovation program so that it can be more readily understood and supported by customers. It should include projects that are directed at solving customer pain points so that there are projects that customers can connect with – such as addressing outages and minimising the impacts of load shedding. The Customer Forum highlighted the willingness of outside entities such as the Macalister Demonstration Farm in Gippsland (which conducts research and demonstration projects on the management and operation of dairy farms) to collaborate.
- Achieving broader community benefits is also important.

In terms of next steps, the Customer Forum recommended that AusNet Services:

- Articulate our innovation projects in the language of the customer
- Share our innovation findings openly including with other distribution businesses, research community, etc
- Agree to report on our innovation activities and outcomes in the annual Customer Interactions Report
- Seek external guidance on our innovation program in order to prevent duplication
- Consider Ausgrid's funding and governance arrangements.

Customer Satisfaction Incentive Scheme

The Customer Forum recommended the following:

- Replace the existing telephone answering parameter as proposed
- Keep improving the scheme and supporting data so it can evolve in the future including:
 - The outage measures should be split into metro and rural, as the real outage problems are in the rural network. This cannot be done at present, but is an improvement that could be made in the future by capturing the data
 - Setting the incentive rate in line with willingness to pay surveys
- Separate to the incentive scheme, identify where there is the poorest performance for outages, connections and complaints (so we are not just relying on averages), report on this and develop accompanying direct actions to address the poorest performance outcomes. This should include direct action to address the needs of large business customers.

Customer experience update

High Voltage Injection management: AusNet Services reported on the new arrangements implemented to improve the management of High Voltage Injection events – these were tested at an event at Bundoora on 2 February 2019. The outcomes were significantly better for customers as there was support on hand to test and repair customers’ electrical assets to allow an efficient return to supply. Support was also on hand to assist with appliance damage assessment to and processing of claims. As well as improving outcomes for customers, this also reduced the costs incurred by AusNet Services in managing the event. A full report on the event outcomes will be provided to the Customer Forum in March 2019.

Clearer accountability for customer: The new customer support positions filled at AusNet Services were discussed, including the positions supporting large customers, community groups (implementing renewable power) and embedded generators. It was agreed that the Customer Forum would have the opportunity to meet these staff at their March 2019 sessions.

Observations were made that this small investment can make a real difference to customers and that advocates are strongly supportive.

Linking employee performance and remuneration with customer outcomes: Work is ongoing to develop this and it will ultimately require Board approval.

The Customer Forum is seeking more information about the frequency and purpose of meetings between AusNet Services’ senior managers and regional customers.

The Customer Forum reported that they are investigating complaints from customers in Dalyston regarding the management of a planned outage.

Future customer research: The Customer Forum is seeking information on the level of customer research being proposed by other Victorian distribution businesses. The Customer Forum noted that AusNet Services need to be clear on the purpose of future research and how we will respond.

Fixing customer pain points: The Customer Forum noted that this effort needs to focus on issues that are material pain points for customers, not just things that we can fix. Also there is a distinction between addressing pain and improving convenience.

AusNet Services reported on significant improvements in solar connection processes as a result of this work program. A new tool will be released on line in early March to automate the processing of connections for connections <30kW. AusNet Services also noted that a lot can be solved through better customer communication.

The Customer Forum requested that:

- Our collaboration with customers is not just with advocates, but with customers
- More precisely define the target for pain points and what success looks like for AusNet Services.

Collaborating with the community: The Customer Forum is seeking:

- a briefing on our management of life support customers
- a meeting with the CPRC.

Model standing offer for solar

In this session, AusNet Services briefed the Customer Forum on the amendments being made to the MSO to better manage solar on our network. The amendment which have been tested and agreed with industry will require inverter control and is expected to result in better outcomes for customers including less inverter tripping. There will be common settings across Victoria to streamline the change for installers. This standard will only apply to new and upgraded solar connections.

There was consensus that this is a sensible change.

Tuesday, 19 February 2019

Engagement on the Draft Regulatory Proposal

AusNet Services discussed proposed engagement activities (other than the Deep Dives) including:

- Focus Group consultation on the Draft Proposal. AusNet Services agreed to advise the Customer Forum on the location of proposed focus group locations outside of metropolitan areas. The Customer Forum proposed that these should be in the northern and eastern extremities of our network area.
- Social media geo-targeting
- Website presence
- Using our field and customer interfacing staff.

Key comments, questions and requests from the Customer Forum were as follows:

- Given that further price reductions are coming, customers can only respond to this interim proposal
- Further research will be undertaken as quickly as possible on price-reliability trade-offs for the replex projects (telephone survey)
- AusNet Services need to be clear on the purpose of the engagement
- Would need to speak face-to-face with vulnerable customers
- Briefing is sought on number and type of customers reached in the engagement activities, number of customers that have visited our website, provided feedback, etc
- AusNet Services should follow advocates on social media to start building our networks and connections
- Best use of smart meters is to provide customers with information on their best retail tariff.

Opex update

The Customer Forum commented that the IT cloud step change should offer measurable benefits and result in a reduction in IT capex.

AusNet Services undertook to provide information to the Customer Forum on the other Victorian Draft Proposals and SA and QLD Regulatory Proposals, which have proposed significant opex step changes.

The Customer Forum is seeking more information on:

- The potential opex step change associated with a change to EPA Act regulations
- Self funding of controllable GSLs
- Potential transmission network support project (demand management).

Other additional information sought by the Customer Forum:

- Population growth figures in light of slowing housing market
- For the metering case, the Customer Forum would like additional advice from Telstra on the timing of 3G network decommissioning

Independent review of augex major projects

WSP outlined the methodology that they will use to conduct their independent review based on the RIT-D framework.

Other business

- AusNet Services agreed to catalogue and prepare summaries of comments received on the Draft Regulatory Proposal to the Customer Forum.

Week 11 Agreed Actions

Thursday 14 February

Topic	Action
2019 Timetable	<ul style="list-style-type: none"> • Circulate an updated calendar reflecting the dates that Customer Forum members are not available
AST Board Involvement	<ul style="list-style-type: none"> • Set up regular meetings between AST Chair and Tony Robinson • Board member to Customer Forum negotiation session (March, April, May) – targeted to key sessions
Potential changes to proposal	<ul style="list-style-type: none"> • Add the Federal Election • Provide the Customer Forum an update on our position relating to controllable GSLs
Deep Dives	<ul style="list-style-type: none"> • Condense our presentations and allow more time for discussion • Ensure questions are customer-oriented e.g. what are the customer benefits • Ensure consistency between the pre-reading material and presentations • Work to increase the number of advocates attending the future Deep Dives (including regional advocates) <ul style="list-style-type: none"> ○ Customer Forum members will contribute ideas • Use our regional manager network to identify potential participants • Prepare a short summary of the Draft Proposal • Put the Deep Dives materials and reports on line and send to the participants and the Customer Forum

Monday 18 February

Topic	Action
Innovation proposal	<ul style="list-style-type: none"> • Recognising that outcomes can be uncertain, it would be appropriate to express innovation projects as “Having the potential to” deliver a certain outcome or benefit for customers • AST to draft a customer-focussed narrative for one or two proposed innovation projects for the Customer Forum. Customer Forum feedback (over the next 2 weeks) can then be incorporated prior to the March sessions. • AST to talk to the other Victorian DBs regarding joint collaboration on innovation – aimed at developing a Victorian innovation program with transparent control and management (for 2021-25 proposal) • Explain innovation collaboration by electricity networks (we need to communicate this) e.g. ENA work programs, ARENA, etc – public, external reporting • Provide examples of successful AST innovation • Consider potential for community benefits as well as customer benefits • Within the portfolio of innovation projects ensure that there are projects that customers can connect with <ul style="list-style-type: none"> ○ For example innovation to address customer pain points and that provide wide customer and community benefits • Undertake to share innovation outcomes, including with other DBs and

Topic	Action
	universities <ul style="list-style-type: none"> • Report on innovation outcomes and collaboration in the annual Customer Interactions Report • Propose innovation funding on a use-it or lose-it basis • Do innovation with an external party (see prev point) • Provide a briefing on what is in other VIC DB proposals
Customer Satisfaction Incentive Scheme	<ul style="list-style-type: none"> • AST to prepare a proposal for the AER based on the performance metrics, target setting, revenue at risk and incentive rate provided <ul style="list-style-type: none"> ○ For Customer Forum review by the end of February ○ Include discussion on opportunities for continuous improvement • Separate to the incentive scheme, develop accompanying actions that would address: <ul style="list-style-type: none"> ○ Large business customer satisfaction ○ Customers with lowest satisfaction outcomes e.g. rural customers
Customer experience initiatives	<ul style="list-style-type: none"> • Set up meetings between the Customer Forum and: <ul style="list-style-type: none"> ○ Geraldine Leslie (EGM responsible for customer focused culture in AST) ○ the 3 customer relationship managers Large Commercial & Industrial Customers (Darren Walker); Community Liaison (Chris Cantanese); Embedded generators (Jose Mampallil) ○ Bundoora customers that experienced the recent high voltage injection ○ CPRC (Catherine Gip is actioning this). • Provide final statistics on Bundoora high voltage injection outcomes and management when finalised • Provide information on the frequency and purpose of meetings between AST senior managers and regional customers • Check the customer research being undertaken by the other Victorian DBs • Organise a Customer Forum session on management of Life Support Customers (Tom Hallam) • Reporting on our customer experience actions <ul style="list-style-type: none"> ○ Do not indicate that customer experience actions are complete – provide information on actions to date and list as ongoing ○ “Collaborating with the community” initiative – work with customers as well as customer representatives • Pain points, inconvenience points – report outcomes, improvement precisely (what does success look like). Check the timing of the electricity connections work program. • Empathy training – CF would like more information about the empowerment of call centre staff

Tuesday 19 February

Topic	Action
Engagement on draft proposal	<ul style="list-style-type: none"> • Focus Groups engagement <ul style="list-style-type: none"> ○ Circulate engagement material to the Customer Forum for review (Draft Proposal summary, hooks/questions tailored to different locations and customer types) ○ Confirm location of rural focus group locations (noting suggestion of North/East areas of our network) ○ CF opportunity to observe • Provide statistics on visits to our website on the Customer Forum/EDPR • Social media – connect AST social media to customer advocate social media networks • Use the IAP2 spectrum as a framework to guide our engagement • Report back to the Customer Forum on the outcomes and feedback from the Draft Proposal engagement activities • Collaboration with advocates: Examine the scope for AST to work with Customer Advocates to assist customers by advising them on their optimal tariff (using smart meter data)
Repex project customer research	<ul style="list-style-type: none"> • Conduct research over March • Prepare a scope of work/research proposal and potential service providers to the Customer Forum for comment
Opex	<ul style="list-style-type: none"> • Provide the Customer Forum with an update on population growth outlook • Metering case – explore the realistic timing for 3G to 4G transition further with Telstra • Provide a briefing on the transmission network support opex proposal (in the March Customer Forum sessions) – AER in the room as well • Provide a comparison of IT opex proposals for each of the Victorian distribution businesses