

AusNet Services EDPR Customer Forum

Week 13 Minutes: 12, 15, 16 April 2019 (Draft)

Attendees

Customer Forum (CF)	AusNet Services (AST)
Tony Robinson Helen Bartley John Mumford Greg Camm Dianne Rule	Tom Hallam Greg Hannan Deirdre Rose Clinton Rodda Sarah Ward Andrew Kennan Penny Gray Jeremy Lee Denis McCrohan Rob Ball Jason Pollock

Friday, 12 April 2019

Agenda and objectives

Customer Forum introduced to Clinton Rodda, the new General Manager, Electricity Distribution. The Customer Forum highlighted some customer issues to Clinton for investigation:

- Milawa hydro mini grid: Project delay, AusNet Services involvement in the delay is unclear.
- Contact between AusNet Services and local councils: AusNet Services needs to improve its links to the Economic Development Officers and their networks (e.g. Benalla Council's Business Network), and provide localised opportunity maps.
- Subdivisions: Follow up concerns of Wodonga Council in relation to late input to subdivision plans.
- ASH, Heyfield: Potential charging issue.

The key objective for the April Customer Forum meetings is to finalise the negotiation on the repex major projects.

Engagement on the Draft Proposal

The Customer Forum suggested that we ensure that our Board is well informed about customer feedback on our social media. AusNet Services does provide briefing to our Board including customer opinions.

AusNet Services has issued targeted posts on Facebook and Twitter on 3 key themes from the Draft Proposal: 1. How can we power your solar future; 2. What do you want from your energy future?; 3. How can we improve service to our customers. On Facebook issue 1 was the most popular, on Twitter issue 2 was the most popular.

The Customer Forum provided insights on obtaining meaningful feedback – rather than just generating feedback:

- Need to speak to customers on their terms about their experience – what the EDPR topics are and what customers want to discuss are often quite different:
 - The Customer Forum provided the example of a fruit wholesaling business that they spoke to which are highly sensitive to outages as they risk losing highly valuable stock. Given the value of their potential losses, the \$38 bill reduction in the Draft Proposal is seen as immaterial. This customer would prefer improved outage management and getting this right.
 - If customers’ core issues with our service haven’t been addressed (e.g. outages), then they will not want to engage on the Draft Proposal.
- Further face-to-face engagement by AusNet Services across the network and with key stakeholder groups to hear their stories. This grass roots communication is a gap for AusNet Services according to the Customer Forum.
- The large Draft Proposal document can be daunting, so more discussion is useful.

Actions arising:

- Check whether emails containing swear words are filtered and therefore do not reach AusNet Services staff.
- What linkages does AusNet Services have to customer groups via Facebook – how many groups do AusNet Services follow and do we monitor sites?
- Make contact with VECCI and the Business Council to get feedback on the Draft Proposal
- Use our regional staff to advocate on the Draft Proposal.
- Speak to key Councils to discuss the Draft Proposal, particularly those with shared networks e.g. Benalla, Indigo, Wangaratta, Kinglake.
- Seek feedback on the Draft Proposal from our own CCC and improve the grass roots community connections on our CCC (look at Essential Energy)
- Regulatory proposal: improve the accessibility of the document .e.g. readability by vision impaired, etc. See the “Thriving Communities Report” as a good example of how to get this right.

Life support customer management (Confidential Briefing)

The number of AusNet Services’ life support customers has increased significantly due to definitional changes. AusNet Services noted that our practice in managing life support customers exceeds the minimum management requirements set out in regulations (such as conducting in-person checks of new life support connections). The recent fines issued to AusNet Services in relation to outages did not involve life support customers. AusNet Services uses smart meter data for accurate mapping of customer connection points and processes to ensure that physical network changes don’t lead to errors in this information.

AusNet Services also highlighted a potential reform of fines for life support breaches – where the funds go to the customer (e.g. if there were a GSL for life support breaches) rather than the funds going to the regulator (the Essential Services Commission) as currently. This could be raised as part of the review of the Distribution Code being conducted by the ESC this year.

Actions arising:

- Customer Forum suggests that AusNet Services speak to relevant life support peak bodies (such as the Dialysis and Transplant Association) to better understand different life support customer needs.
- Follow up on the example provided by the Customer Forum of a life support customer changing retailer – and the problems with this process.

Planned outage management

AusNet Services noted that planned outages are at a higher level due to the REFCL program. But as this is delivered and winds down, planned outages could also be expected to fall.

The Customer Forum suggested that AusNet Services:

- Better communicate the reason for planned outages to customers – this will significantly reduce customer concerns
- Improve communication with customers experiencing repeated outages e.g. with the REFCL program
- Provide planned outage information in a central place on our website
- Use key community contacts that can efficiently pass on information e.g. Benalla Business Council
- Consider how we can best consult communities on preferred outage timings in advance and take into account potential customer losses when planning outages
- Examine the DELWP community consultation when there are planned burn-offs as an example
- Consider conducting a trial of our planned outage processes to understand the potential for process improvements and associated cost savings.

AusNet Services does consult with many large businesses, business districts, schools, etc and has a communication campaign for large works programs such as REFCL.

AusNet Services consider that the proposed investment in a CRM would assist to better manage planned outages in the future by providing a means of recording community preferences. However, pre-outage consultation is unlikely be possible for all outages given the volume and associated cost.

AusNet Services' Customer Experience General Manager is looking at communication with customers experiencing multiple outages e.g. due to REFCLs.

The option of wide-spread use of diesel generators to provide network support to customers during outages was discussed – it was agreed that this is too costly an option.

AusNet Services explained that improved information capture has been implemented to allow the business to better understand the reason for planned outage cancellations. AusNet Services is also incentivising our contractors to reduce inconvenience for customers e.g. reduced controllable cancellations.

The Customer Forum suggested that customers should not have to pay for controllable cancellations. Also there seems to be room to improve the performance of AusNet Services' contractors and to make associated productivity savings. Improved planned outage performance would also result in reduced calls and complaints (and associated costs).

Actions arising:

- Meeting between the Customer Forum and Leesa Penaluna regarding sensitive customers
- AusNet Services will share the planned outage performance dashboard regularly with the Customer Forum.

Monday, 15 April 2019

Smart metering update

AusNet Service provided more information on the required 3G to 4G upgrade. The Customer Forum asked why the transition would be to 4G and not the 5G. This is due to the lack of 5G coverage, particularly outside of metropolitan areas.

Discussed potential customer initiatives supported by smart meters, including initiatives that may assist in encouraging customers to use the network more efficiently. The Customer Forum mentioned a tool developed by Simply Energy to allow customers to review their usage.

Actions arising:

- Develop the meter-support customer experience initiatives for 2021-25
- Continue to strongly communicate meter benefits to customers.

Customer experience update and next steps

Solar pre-approval tool: Discussion considered a potential problem for customers, where the solar system is paid for and the customer subsequently learn that they are export constrained – this would be poor practice on the part of the solar installer. The Customer Forum noted that Consumer Action Law Centre (CALC) has reported on poor solar installation industry practices.

AusNet Services noted that:

- the CEC is working on addressing problems and on ensuring that approved inverters are installed.
- the number of customers partially or fully export constrained would be expected to increase over time.
- Further work is needed to improve the full solar connection process – including to remove double handling by distributors and retailers. The Customer Forum also noted that financial incentives for improvement would be needed.

Now the AusNet Services' solar pre-approval tool is up and running, attention is now turning to streamlining the approval process for larger solar (>30kW connection) and gas new connections. The Customer Forum also raised the need for a focus on managing planned outages. AusNet Services noted that that the improvement to planned outage process will be systems-based.

Local government liaison: AusNet Services' community liaison (Chris Cantanese) is making contact with all Councils. The Customer Forum re-iterated that AusNet Services can leverage the networks in the Councils e.g. network s of economic development officers.

Customer experience initiatives for 2021-25: Development of the initiatives for 2021-25 is needed. The Customer Forum is seeking clearly defined initiatives with associated metrics.

Actions arising:

- Confirm whether the solar alert tool also alerts for other DER when it is not functioning e.g. batteries
- Provide information on the avoided costs associated with the solar pre-approval tool e.g. reduced engineering resources
- Provide the planned outage journey
- Commence developing the structure of the Customer Interactions Report (due for publication in December) and share with the Customer Forum.

Tuesday, 16 April 2019

Final negotiation: Repex major projects

AusNet Services presented a lower cost portfolio reflecting a reduced number of zone substation rebuilds (reduced from nine to seven) and reduced project scopes. This was as a result of refreshed modelling by AusNet including adopting the new, best-practice approach to quantifying safety risk, updated asset condition information and review of the most efficient project scopes to minimise costs.

AusNet Services confirmed that the repex major project costs would not be expected to change, even in the event of a 6 month delay to the submission date as:

- Repex major project are driven by asset condition rather than demand
- There will be no change to VCR within the timeframes of our submission to the AER (regardless of whether this is in July or six months later)
- The only change we would reserve the right to make on the repex case would be due to an unexpected station failure.

AusNet Service confirmed that the substation refurbishment work does not result in planned outages for customers. However, the REFCL and lines work results in planned outages.

Limitations to the repex survey work were discussed and noted including:

- *Customers outside of project areas:* The survey does not encompass customers outside the zone substation boundaries.
- *Price signal per impacted customer (not per all customers):* The willingness to pay has been tested with an average price across all customers, which may lead to a higher willingness to pay preference as the dollar amount involved is so small. As noted by the AER, it would be informative to see what customer preferences would be if the cost reduction of a deferral was only shared between customers that may experience degradation in reliability.

Discussion of the accuracy of the VCR for each area noted that the VCR is a weighted average across customer specific VCRs (residential/non-residential) and hence would pick up differences in customer mix and preferences at each zone substation. However, there are still real limitations on the granularity of the VCRs.

While not appropriate for the 2021-25 proposal, going forward the Customer Forum recommend more granular analysis of customer mix, different customer type's energy needs (including vulnerable and industrial customers), network characteristics and configuration, etc. is provided as part of the decision making on the major repx projects.

Notes of final decision:

- The Customer Forum support option 2 i.e. AusNet Services' preferred portfolio and timing
- Like the fact that feedback from the Customer Forum was considered – and that this has reduced the cost of option 2 by sensible scoping of the projects
- Option 2 best balances the price and reliability concerns of customers. Consistent with the research, customers are more sensitive to reliability and would prefer this to a small reduction in price
- The Customer Forum will speak to the AER regarding their question about the preferences of customers outside the project areas, but this concern should be addressed by the lower cost outcome.

Actions arising:

- Customer Forum to draft their decision on the repx major projects negotiation.
- AusNet Services to report back on the cost to upgrade the coil in existing transformers to reduce losses.
- Consider case studies on how AusNet Services supports life support customers e.g. could smart meters be used to provide fastest possible restoration times for these customers.

Augex review update

AusNet Services reported that one option (hybrid option) remains to be reviewed under the augex deferral options review for Clyde North. This work will be finalised for the May meetings.

Within the review to date, WSP has considered the issues raised by the AER in their guidance note:

- Demand forecast: Review of demand forecasts was out of scope of WSP. However, WSP has considered how the forecasts have been applied by AusNet Services. WSP has found that the application was in line with good industry practice.
- Network constraints: applied consistent with sound industry practice.
- Rotational load shedding: part of the calculation
- Cyclical rating of transformers: considered in AusNet's modelling – this rating is above the nameplate rating.
- VCR: Used correct weighted VCR.

Separate to the augex projects, the Customer Forum is interested in a cost benefit analysis of air-conditioning load control to inform possible policy change in Victoria, nothing the success of these

policies in Queensland. AusNet Services noted that we have some limitations relative to the policy implementation in Queensland e.g. lack of distribution network ripple control.