

Reporting template electricity connections

AusNet Services April 2020

This template allows each electricity distribution business to report how it is progressing against the Service Improvement Commitment – that is attached.

In Table 1, distribution businesses should report the initiatives:

- completed or begun under the column ‘What have we done’
- that have not yet begun under the column ‘What are we planning to do’

In Table 2, each distribution business should report its performance against KPIs relating to outcome 2.

Assessment traffic lights

Each distribution business should report overall progress toward delivering an outcome using the traffic light system. The table below indicates the criteria to meet each traffic light.

| Traffic light | Criteria |
|---------------|---|
| Green | All initiatives delivered or all initiatives commenced and there is a low risk of incompleteness. |
| Amber | All initiatives have commenced and there is a moderate risk that some initiatives may not be delivered within agreed timeframes. Or some initiatives are yet to commence. |
| Red | A number of initiatives have commenced and there is a significant risk that they will not be delivered within agreed timeframes. Or most initiatives have not commenced. |

| Service Improvement Commitment (see Appendix A) | | What has AusNet Services done? This column includes activities from the SIC that have been completed. | What is AusNet Services planning to do? This column includes activities from SIC that are yet to begin or are being planned. | Overall progress assessment |
|---|---|--|---|-----------------------------|
| Outcome sought | Commitment from distribution business | | | |
| 1. Improving developers' and contractors' understanding of the DB's policies and practices, or how they can influence them. | Ensuring website material is consistent with practices and clearly explaining each party's roles and responsibilities | <ul style="list-style-type: none"> The electricity connections page of our website informs customers, including developers, of their choices for AusNet Services (internal) or accredited contractors (contestable) to manage design and/or construction Contestable constructors access policies and practices through our ECM (Enterprise Content Management) portal We have added a link to the ESC's Feedback page giving developers the ability to provide feedback and raise concerns relating to electricity connections We have conducted an end-to-end review of our current connection process for all customer and connection types and interviewed a range of customers to understand their needs and expectations, and to obtain their design suggestions for our website | <ul style="list-style-type: none"> We have approved plans build a connections portal and automate some design and construction management processes to improve project delivery times and meet the specific needs of repeat customers (such as developers and accredited service providers who offer contestable services), as well as for customers who might our connection services as a 'once off'. Implementation is expected by April 2020. <p>Implementation of new portal has been delayed due to COVID-19 and resourcing. This is now scheduled for go live in late May 2020.</p> | On track |
| | Identifying opportunities for stakeholder participation in regulatory decisions | <ul style="list-style-type: none"> In an Australian industry first, we engaged an expert panel of customer representatives in a 'Customer Forum' who have actively canvassed builders' and developers' expectations in relation to connections. The recommendations | | On track |

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| | | <p>of the Customer Forum are incorporated into our draft regulatory proposal. A negotiation note is currently available for viewing on our website.</p> <ul style="list-style-type: none"> We have reviewed feedback from customers submitted to the Customer Forum and in response to the offer comment on our EDPR submission via our website. This related to the establishment of builders' supply poles (BSP) and visibility of the new connections process. We have published our BSP performance in the 6 month performance report and established a status tracker on our website. | | |
| | Developing two way communications with developers | <ul style="list-style-type: none"> We have formed and convened the first meeting of the ASURDCP (AusNet Services/URD Consultative Panel) of developers, electrical and underground contractors, project managers, and representatives of UDIA and ALDE, as an open forum to discuss processes and practices and to clarify responsibilities. | <ul style="list-style-type: none"> We have reviewed suggestions raised by industry representatives during 2019 meetings relating to: <ul style="list-style-type: none"> Acceptance of photographs as proof of non-conformance rectification Light pole angles and acceptable tolerances Access to our standards and notifications of updates Auditor access to drawing database Request to allow flat conduits | Ongoing |

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| | | | <ul style="list-style-type: none"> ○ under kiosk slab rather than stacked ○ Acceptable shimming for kiosks when not sitting flat ○ Review of standards to determine if plastic rather than metal support frames for pillars would be acceptable ● Incorporated new practices to better align with expectations (e.g. use of photographs to progress jobs). | |
| 2. Minimising avoidable delays in connecting greenfield developments to existing distribution networks. | Setting target timeframes for negotiated connection process, and developing meaningful KPIs that are reviewed in an ongoing cycle | <ul style="list-style-type: none"> ● We have developed a set of KPIs that measure performance at key stages in the connections process. We have consulted the members of the ASURDCP on their relevance ● KPIs are attached to this update. | <ul style="list-style-type: none"> ● We will seek feedback from the ASURDCP members on additional KPIs. ● We will also review feedback from the UDIA and ALDE members of the ESC Committee in response to our 6 monthly performance report KPIs. | Ongoing |
| | Publishing and presenting regular performance reports | <ul style="list-style-type: none"> ● Our bi-monthly performance reports are published on the ESC's website. ● We have submitted our first 6-monthly performance report to the ESC, which includes a detailed analysis of audit compliance and an associated action plan | <ul style="list-style-type: none"> ● Based on our audit analysis, we will collaborate individually with constructors to assist them understand our standards and to obtain feedback. | Ongoing |
| | Explore development of a service level | | <ul style="list-style-type: none"> ● We have developed Service Level benchmarks and incorporate into the | On track |

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| Outcome sought | Commitment from distribution business | | | |
| | agreement (SLA) | | processes and system improvements planned in the Customer Connection Portal project. In the next few months, we will be undertaking further consultation with our Consultative Panel to discuss our service targets and portal. | |
| 3. Improving how technical standards are managed and communicated | Develop a technical standards committee of DBs, developers, councils, contractors, ESV and VPA to harmonise standards and provide a forum for raising issues, and issuing guidance notes on principles and practices | <ul style="list-style-type: none"> We have attended multi-DB technical standards workshops between December 2018 and May 2019, and partnered with the other DBs on formation of the Victorian Electricity Distribution Technical Standards Review Committee and the engagement of a consultant to review DBs standards The inaugural Technical Standards Committee of the DBs, industry reps and the ESC met on 25 June 2019. | <ul style="list-style-type: none"> Through the Victorian Electricity Distribution Technical Standard Committee, we are working with the industry on harmonizing standards that meet criteria set by the Committee members to achieve safe, compliant, constructible, maintainable, economic and timely outcomes. Common standards will be published on VESI's VEDN website. | Ongoing |
| 4. Review and improve audit processes and practices | Develop a program to improve the process e.g. through real time remediation of defects, developing SLAs for audit and re-audit delivery, increasing the number of auditors | <ul style="list-style-type: none"> We have appointed a Delivery Compliance Coordinator to review our audit procedure, monitor delivery timeframes and review audit findings for trends in non-conformances We have set a KPI target to receive Network Auditor site audit reports within 10 days of the request from AusNet Services or the developer | <ul style="list-style-type: none"> Completed the tender to increase the number of Network Auditors with a view to having an expanded pool available to developers and constructors. Evaluations are underway. | On track |

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| 5. Promoting efficient competition in connection services (or component parts) | Review the contestability of components of the connection service | <ul style="list-style-type: none"> The electricity connections page of our website informs customers they have a choice to use the contestable design and construction process for connection services. Where a customer chooses AusNet Services to design and construct, they are always offered the option to change to contestable construction after a design is finalised. Contestable design and construction service providers are accredited by AusNet Services and can access all our quality standards via our secure IT systems. New service providers can readily become accredited. We have reviewed the volumes of contestable construction across our suburban and rural areas to identify opportunities for enhanced promotion. | <ul style="list-style-type: none"> As part of our end-to-end review of our connections services we plan to redesign our website content to promote competition, taking into consideration the suggestions and needs of customers and contestable service providers we interviewed during April 2019 | On track |
| | Use the AER Service Classification to seek appropriate service descriptions | <ul style="list-style-type: none"> We participated in the AER classification review and incorporated feedback from our EDPR Customer Forum in to our regulatory price review. | | Completed |
| 6. Address resource constraints brought about by increased | Prepare a report outlining initiatives to increase resourcing by | <ul style="list-style-type: none"> We addressed three resource constraints in AusNet Services: <ul style="list-style-type: none"> Auditor oversight – through | <ul style="list-style-type: none"> Reviewed the way we do business and are optimising our service delivery model. | Completed |

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| number of developments and pressure on qualified industry resources | 30 Nov 2018 and three yearly thereafter | <ul style="list-style-type: none"> ○ appointment of the Delivery Compliance Coordinator ○ Network Auditor pool – through the issuing of the tender ○ Project establishment and tracking – through the centralisation of metropolitan and rural greenfield, large scale developments in one office and the appointment of two support officers to assist our design engineers | | |

Further details

Further details on each outcome are attached to this update.

Performance against KPIs

In Table 2 each distribution business should report its performance against its KPIs. Distribution businesses should provide a short explanation (in the column 'Detail') if a KPI has not been met along with proposed corrective actions.

Table 2 – Performance against KPIs

| Measure (KPI) | Reporting timeframe | Result | Detail |
|---|---------------------|---------------------------|--|
| Design approval cycle times ≤ 15 days (average days) | Jan 2020 – Mar 2020 | average 9.4 business days | Measure of days that external medium density housing designs are with AusNet Services for review and approval. |
| Network Auditor site audit reports received within 10 days of AusNet Services request (%) | Jan 2020 – Mar 2020 | 94% | Measure of the percentage of commissioning or final audit reports that are received from the Network Auditor within 10 days of the request. Note: impact due to Xmas break and bushfire response |
| Creation of NMI within 2 business days (average days) | Jan 2020 – Mar 2020 | 4.7 business days | Measure of the days taken for AusNet Services to create a NMI for single premise, group metering and Private Mains in Public Land new connections Note: significant restructuring has occurred during the review period. |
| Meter connections within 10 days (average days) | Jan 2020 – Mar 2020 | 9.4 business days | Measure of the days taken for AusNet Services to roll a truck and complete the new |

| Measure (KPI) | Reporting timeframe | Result | Detail |
|---------------|---------------------|--------|------------|
| | | | connection |

Appendix A: Service Improvement Commitment

The table below highlights the outcomes being sought, and the nature of commitments from the distribution businesses to address each issue in detail. The commitments may vary across distribution businesses, depending on measures and practices already in place. The commitment should address how and when the distribution business will implement (or has already implemented) the proposed measures, and commit to regular reporting on progress to the Governance committee.

Matters for inclusion in the service improvement commitment

| Outcome sought | Commitment from distribution business |
|--|---|
| <p>1. Improving developers and contractors understanding of the distribution business' policies and practices, or how they can influence them.</p> | <p>Each distribution business will improve communications and customer focus by:</p> <ul style="list-style-type: none"> • ensuring website material is consistent with practices. • clearly explaining each party's roles and responsibilities under the regulatory framework. • identifying opportunities for stakeholders to participate in relevant regulatory decisions. (For example, Australian Energy Regulator connection service classification decisions for distributors and distributor connection policies) • developing ways to communicate in a "two way" manner with developers about progress and reasons for delays in connecting new developments to the electricity supply. <p>Establishing a consultative panel (committee) including developers to discuss and resolve matters related to electricity connections. This committee could be dissolved once confirmation is made that issues described above have been addressed.</p> |

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Table continued

| Outcome sought | Commitment from distribution business |
|--|--|
| <p>2. Minimising avoidable delays in connecting greenfield developments to existing distribution networks.</p> <p>Related to this:</p> <ul style="list-style-type: none"> • making the processes and reasons for delays transparent • establishing a clear process for developers to raise persistent complaints, or for addressing them | <p>Each distribution business will draw on existing processes, and any improvement initiatives already underway, and results of stakeholder engagement to undertake the following measures:</p> <ul style="list-style-type: none"> • setting target timeframes for specified stages of the negotiated connection process • developing meaningful KPIs for each timeframe target. For example 95% of a defined action to be completed within the target timeframe. <p>Publishing a regular performance report setting out:</p> <ul style="list-style-type: none"> • performance against the KPI • commentary on reasons if the KPIs are not met, and any corrective actions necessary. <p>The performance report will also include matters related to audit performance described under item 4.</p> <p>Presenting performance reports to stakeholders and engaging with them to identify areas of change or for improvement.</p> <p>Performance reports should be prepared every six months.</p> <p>Establishing an ongoing review cycle for updating targets and KPIs.</p> <p>Exploring the development of a service level agreement (SLA).</p> <ul style="list-style-type: none"> • The SLA should be developed in consultation with stakeholders. • The SLA should be referenced or incorporated in Victorian distributors' connection policies as part of the 2021-25 network price determinations. |

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Table continued

| Outcome sought | Commitment from distribution business |
|--|---|
| <p>2. Minimising avoidable delays in connecting greenfield developments to existing distribution networks (continued).</p> | <p>Publishing the steps to escalate a complaint in relation to new connections on the distribution business’s website. This will include placing a link on the distributor’s website to a complaints register to be established by the Commission. The register will log complaints raised by stakeholders in relation to the connections process.</p> |
| <p>3. Improving how technical standards are managed and communicated. Including:</p> <ul style="list-style-type: none"> • making standards across distributors consistent allowing for justifiable differences. • ensuring consistent interpretation of standards by different distribution businesses and auditors • improving certainty and transparency about which standards are applicable • ensuring timely consultation about changes to standards or their implementation. | <p>The distribution businesses will lead the development of a new Technical Standards Committee whose indicative membership will include: the distribution businesses, developers, councils, electrical designers, civil constructors, electrical cable installers, Energy Safe Victoria and the Victorian Planning Authority.</p> <p>Technical Standards Committee will be responsible for (but not limited to):</p> <ul style="list-style-type: none"> • harmonising standards where possible • providing a forum for raising issues and sharing information • issuing practice/policy guidance notes establishing principles to follow, identifying best practice or suggesting actions. <p>The Standards Committee will draw on practical experiences (including insights from the Victorian Planning Authority, and Commission reviews) to prioritise its work.</p> <p>The Standards Committee will invite the Commission to attend committee meetings as an observer.</p> <p>The Standard Committee may choose to base its structure and governance arrangements on an organisation like the Melbourne Retail Water Agencies</p> |

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| Outcome sought | Commitment from distribution business |
|--|--|
| <p>4. Review and improve audit process and practices. This includes ensuring:</p> <ul style="list-style-type: none"> • audit processes are efficient, transparent, fair, predictable, and protected from inappropriate influence. • appropriate pricing of audit services. | <p>Each distribution business will develop a program to improve its audit process and practices. Some suggestions for improving the audit process including:</p> <ul style="list-style-type: none"> • finishing audits even if it would be a fail • maximising opportunities for real time remediation of defects • auditing interim milestones and providing feedback to developers so as they can fix any defects before the final audit • including times for audit and re-audits within a service level agreement (discussed above) • adopting common audit process across all distribution businesses • increasing the number of auditors available (potentially through contestability). <p>Each distribution business will publish an audit performance for feedback every six months. The report may include data on the number of audits undertaken, the number of audits passed or failed, the number of reaudits and the reasons audits fail. This report will form part of the performance report described under item 2.</p> <p>Each distribution business will seek appropriate service descriptions and classifications for audit services as part of the AER Service Classification process for the 2021-25 Victorian electricity distribution price review (for example ,each will consider ‘fast-tracked audit services’, and ‘audit revisits’, as possible alternative control services).</p> |

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Table continued

| Outcome sought | Commitment from distribution business |
|---|--|
| <p>5. Promoting efficient competition in connection services (or component parts)</p> | <p>In the next six months each distribution business will review the contestability of components of their connection services.</p> <p>This will occur where contestability can deliver timeliness, cost savings and enhanced user experiences, without compromising distribution network reliability, safety and performance.</p> <p>Each distributor to use the AER Service Classification process at the beginning of each price review (NER Chapter 6) for the AER to seek appropriate service descriptions and service classifications to facilitate competition.</p> <p>Each distribution business will prepare a report on the matters discussed above under item 5. The report is due by 28 February 2019.</p> |
| <p>6. Resource constraints - increased number of developments and associated pressure on qualified industry resources</p> | <p>Each distribution business will prepare a report outlining its initiatives to increase resourcing related to new connections. The first report is due by 30 November 2018. Annual reports will then be prepared for the next 3 years.</p> |