



Greenfields connections — customer service standard

Performance report 3: July to December 2022

28 February 2023

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1 Overview

Electricity distribution businesses, CitiPower, Powercor and United Energy supply power to a region spanning 65 per cent of Victoria including some of the highest growth areas for residential development.

Through connecting greenfield housing estates to our electricity networks, we play a critical role in keeping the housing industry moving forward, which in turn supports Victoria's growth. We understand the importance of making the connection process as efficient as possible while retaining safety standards.

We are delivering on our customer service standard that we made to industry and the Essential Services Commission (ESC). This standard was developed with industry representatives in line with the ESC objectives. The initiative built on service improvements already delivered since the ESC's review of connections processes for new residential housing developments in 2018.

This performance report demonstrates that we have delivered on improvements to streamline and expedite electricity connections at greenfield sites since new customer services standards came into place in December 2020.

Since then, our ongoing engagement with the industry has supported us to make substantial changes and improvements to how we deliver our connections process, including redesigning a new approach to expediting audits.

In Q3 and Q4 this year, Powercor has met or exceeded our targets in three of the six measures agreed in collaboration with industry representatives. Unfortunately, the combination of increased work volumes with the ongoing impact of COVID-19 and the flu on our employees, as well as staffing shortages, have continued to impact us meeting the other targets. We understand these are widespread problems being faced across the industry. At the date of this report, staffing levels have slowly returned to planned levels and we are cross-skilling our staff to address future risks to timeframes from unplanned/sick leave and/or attrition. Overall, the changes we have made to our connection process to improve timeliness have received positive feedback from our industry partners.

United Energy has met all its targets in 2022 except for offers issued in Q4. United Energy experienced resourcing issues (staff shortage) during Q4 of 2022 which inherently impacted the offers issued. United Energy had identified this issue and applied discretion in allowing the service providers that were impacted with the option of submitting their designs prior to issuance of offer and contract to not cause delays in their project's programs. Additional personnel resources have since been appointed and United Energy expect that 100% scores can be achieved and maintained in 2023.

We are continuing to work collaboratively with Victoria's building and development industry to deliver further improvements that will support more Victorian families access housing more quickly.

1.1 Purpose

This report provides evidence of our progress against commitments in the customer outcomes statement and performance against the measures included in their customer service standard for the period 1 July to 31 December 2022.

In March 2021, the ESC released its final decision on Timely Electricity Connections which required us to provide a report every six months as follows:

- for the period 1 January to 30 June, reporting by 31 August that year
- for the period 1 July to 31 December, reporting by 28 February the following year.

In line with our customer service standard, we reported against the four 2021 quarters in February 2022. This report covers the four completed quarters of 2022. We have held consultative committee meetings with our customers to discuss the quarterly performance, as shown in the table below.

Table 1 Quarterly customer consultative committees

Year	Quarter	Consultative Committee meeting date
2021	1	April 2021
2021	2	July 2021
2021	3	November 2021
2021	4	February 2022
2022	1	May 2022
2022	2	August 2022
2022	3	November 2022
2023	4	February 2023

Source: CitiPower, Powercor and United Energy

As required under condition 10 of our Licences, this report contains the following information:

- progress against commitments in the customer outcomes statement
- copy of minutes of their consultative committee meetings
- performance against the measures included in their customer service standard
- the reason why any performance measures were not achieved (where appropriate)
- what actions have been or are being taken to rectify the issue
- any initiative the distribution business has taken to improve the service, or an update on any initiative taken.

2 Progress on achieving our customer service standard

2.1 CitiPower Powercor customer outcomes statement

CitiPower and Powercor and the residential development industry aim to achieve the same result: safe, secure, and reliable power for residents.

To achieve this while ensuring that connections are timely and Victorians can move into their new homes promptly, CitiPower and Powercor and the industry representatives agreed to work together to achieve an overall reduction in the timelines across the design and audit process. CitiPower and Powercor and industry agreed on the following outcomes:

Time reduction in the final stage

A reduction in the turnaround time on Greenfield projects between when the development either receives practical completion from the local Council or the local Council deems the work completed following a Council inspection and when CitiPower and Powercor consents to the issue of the Statement of Compliance.

Continued focus on process efficiency

A continued focus on reducing the overall time across the audit process. This will be delivered through a customer-focused approach at all stages of the approval process. CitiPower and Powercor will look to recognise and reward consistent high quality and safe work of contractors and consultants through fast approval processes. The time saved will be allocated to working with developers and contractors that need more assistance to improve the quality of their connection work.

To achieve these outcomes in two years, CitiPower and Powercor and the industry agreed on a number of step changes to be implemented during the next two years.¹

2.1.1 Progress against the commitment

After two years, CitiPower and Powercor have concluded each of the original commitments contained within the customer service standard. The consultative committee agreed that all original commitments have been satisfied. VPN are committed to working with industry to progress other improvement initiatives as they become known.

An overview of the original commitments can be found below.

¹ See CitiPower, Powercor and United Energy, Greenfields connections customer service standard, December 2020, p. 8.

Figure 1 Timeline of step changes to CitiPower and Powercor process in 2022



Source: CitiPower and Powercor

An explanation of our progress is provided in the table below.

Table 2 Progress in 2022 against step changes

Commitment	Status	Explanation
Communicate process for requesting a final at 'as-built' submission	Complete	Powercor has undertaken a comprehensive review of the audit function including consultation with external stakeholders and other utilities. The review outcomes seek to enable a more flexible, timely and efficient audit process that better aligns with developer milestones and rewards high performing industry participants with a less intrusive audit regime.
Publish 'allowable variations tolerances' document to guide scope decisions.	Complete	Communication and information sessions were completed in late 2020. An allowable construction tolerance document was created and communicated to the industry. Information sessions were conducted for VEDN auditors, PM2s and representatives from every accredited design house, where the document was presented. Feedback from the industry has been positive and we plan 'fine tuning' for further engagement in 2023.

Allow design review submission for multiple adjoining stages of a development concurrently.	Complete	We are now accepting multiple stage submissions.
Earlier release of plans for certification (within 28 Days)	Complete	Since 1 April 2021, CitiPower and Powercor have put systems in place to ensure all plans are being released within 20 days from the Victorian Government's Surveying and Planning through Electronic Applications and Referrals (SPEAR) notification.
Exploration of creating a more interactive system for completing audit, resulting in a faster turnaround time.	Complete	<p><u>Introduction of the Contractor Rating Program</u></p> <p>We have introduced a new contractor rating program whereby industry participants (e.g. Option 2 Project Managers and Victorian Electrical Distribution Networks (VEDN) auditors) who have demonstrated high quality work over time are able to participate in a reduced audit regime.</p> <p>The performance of these industry participants was evaluated throughout 2021 with audit outcomes collated and assessed to award all participants with an overall contractor rating (A, B, C or D).</p> <p>The program rewards those that build high quality electricity network assets, allowing Powercor to provide extended support to projects that need additional oversight.</p> <p>Those rated A will experience a reduced audit regime, involving zero mechanical excavations for ~70% of their projects and will also receive consent to Statement of Compliance independent of a completed final audit.</p> <p>Per above, the contractor Rating Certificates under the new program were issued for Q3 on 1 October 2021 which has enabled the following:</p> <ul style="list-style-type: none"> • A & B rated VEDN Auditor Companies are now eligible for a reduced audit regime that includes a desktop audit and site visit with no mechanical excavations. This has resulted in a quicker audit process, civil contractors are no longer required
Exploring methods to minimise the disruption to developments to rectify non-compliant audit findings without compromising quality and safety standards.		

	<p>to be on site as equipment is now not required on site.</p> <ul style="list-style-type: none"> • A rated Project Managers are eligible to apply for early Statement of Compliance (SoC) once a Network Final Audit has been scheduled as long as all other terms and conditions for apply for early SoC have been met. An Approved Audit is no longer a pre-condition for apply for SoC. • 19 of 26 industry participants (VEDN auditors and Project Managers) held an 'A' or 'B' rating at the end of December 2022. <p>The contractor rating has now been further enhanced and as of October 2022, 'A' rated PM and VEDN audit companies are able (with additional photograph requirements) to unlock a 'AA' rating and a 'AAA' rating in 2023 as long as they meet the associated criteria and required consistency. This will further reduce the need to visit and mechanically excavate sites; will enable more desktop work and provide further efficiency.</p>
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Source: CitiPower and Powercor

2.2 United Energy customer outcomes statement

United Energy and the development industry are committed to maintaining a strong working relationship to deliver a small but important number of greenfield URD electricity connections each year. United Energy will continue to seek improvements in its due diligence process to maintain and where possible, improve timelines without sacrificing the delivery of safe, secure and reliable power for residents.

By engaging with industry, United Energy will work to refine internal processes to reduce the effort on the part of developers and their contractors to progress through a contestable project lifecycle. An improvement opportunity identified through our consultation has been a review of United Energy's release of statement of compliance process. This will seek to streamline the way developers can be proactively granted this release without having the onus on them to specifically request it for each development. Existing processes for developers to seek early statement of compliance release remain in place.

United Energy's progress against the customer outcomes statement is shown in the table below.

Table 3 Progress in 2022 against commitments

Stage	Progress	Status
Improving timelines without sacrificing the delivery of safe, secure, and reliable power for residents	We remain committed to working together with industry to reliably deliver our activities within specified timelines	Delivering
Aiming to maintain a strong working relationship with the development industry	Through individual connections and the regular forums we are delivering on this commitment	Delivering
Delivering a small but important number of negotiated electricity connections each year	We have delivered a small number of connections to greenfield housing estates in 2021 and the first half of 2022	Delivering

Source: United Energy

3 Performance reporting

3.1 CitiPower and Powercor

The targets and actuals achieved in Q1, Q2, Q3 and Q4 of 2022 are shown in the table below.

The timeframes are calculated from the date the distributor has received a request with all relevant information, including any further information requested to remedy a deficiency in the information provided, or any further information requested by the distributor to enable an assessment of the application.

Table 4 CitiPower and Powercor performance metrics and additional metrics

Metric	Description	2022 target (business days)	Q1 2022 Actuals	Q2 2022 Actuals	Q3 2022 Actuals	Q4 2022 Actuals	2022 YTD
Master plan review	Master plans show how a new staged development will ultimately connect into the distribution network	80% reviewed with 10 days	Average 19.3 days 45% within 10 days	Average 28.5 days 17.6% within 10 days	Average 59.5 days 27% within 10 days	Average 18.7 days 48.2% within 10 days	Average 35.1 days 34% within 10 days (549 completed)
Design review	Design plans show, amongst other things, how each lot is connected to the network and the clearances between the electrical	16 days (average days across a six month period)	Average 22.2 days	Average 19.9 days	Average 16.7 days	Average 12.7 days	Average 17.4 days (993 completed)

Metric	Description	2022 target (business days)	Q1 2022 Actuals	Q2 2022 Actuals	Q3 2022 Actuals	Q4 2022 Actuals	2022 YTD
	infrastructure and other services						
As-built plans reviewed	Time taken to review as built drawings once submitted to CitiPower and Powercor	Average 8 days 70% within 5 days	Average 3.1 days 85% within 5 days	Average 3.1 days 83.1% within 5 days	Average 2.8 days 87% within 5 days	Average 2.6 days 89.2% within 5 days	Average 2.9 days 85.8% within 5 days (1523 completed)
Requested final audit (first audit)	Final construction audit undertaken by CitiPower and Powercor	70% within 6 days	83% within 6 days	26.3% within 6 days	30.1% within 6 days	95.7% within 6 days	56.6% within 6 days
Countersign certificate of practical completion	Time taken to countersign (or reject) certificate of practical completion after submission	90% within 5 days	84.4% within 5 days	93.7% within 5 days	95.3% within 5 days	92.6% within 5 days	91.6% within 5 days (591 completed)
Tie in	Upon practical completion time taken to plan outages & works, undertake construction tie in and energise.	20 days >95% of agreed date	98% by agreed date	94.7% by agreed date	99.2% by agreed date	94% by agreed date	97% by agreed date

Source: CitiPower and Powercor

3.2 United Energy performance reporting

The targets and actuals achieved in each completed quarter of 2022 are shown in the table below.

Table 5 United Energy performance metrics

Stage	Description	Target (business days)	Q1 2022 Actuals	Q2 2022 Actuals	Q3 2022 Actuals	Q4 2022 Actuals	Average 2022 Totals
Contestable offer	Following receipt of a contestable application United Energy reviews the scope of works and issues a contestable offer and contract (project fees are payable)	20 days % within time frame	100%	N/A	100%	0%	57%
Master plan review	Master plans show how a new staged development will ultimately connect into the distribution network	10 days % within time frame	100%	N/A	N/A	N/A	100%
Design review	Design plans show amongst other things how each lot is connected to the network and the clearances between the electrical infrastructure and other services	20 days % within time frame	100%	100%	100%	100%	100%
Authority to construct	United Energy reviews <i>project specific information</i> (includes contractor details, works methodology and risk management plan), contractor insurances, and relevant personnel ESI training status, and grants authority for construction works to commence	10 days % within time frame	100%	100%	N/A	100%	100%

Stage	Description	Target (business days)	Q1 2022 Actuals	Q2 2022 Actuals	Q3 2022 Actuals	Q4 2022 Actuals	Average 2022 Totals
Authority to commission¹	United Energy reviews evidence that contractor has completed pre-commissioning audits ² and related activities (including as built detailing), and grants authority for the contractor to tie-in and energise	10 days % within time frame	100%	100%	100%	100%	100%

Source: United Energy

Note: United Energy's contestable delivery model differs from that of CitiPower and Powercor.

4 Discussion on performance in 2022

This section sets out the reason why any performance measures were not achieved (where appropriate) and the actions that have been, or are being taken, to rectify the issue.

4.1 CitiPower and Powercor

4.1.1 Master plan review

The timeframe for the completion of master plan review was outside of our overall target for 2022.

In Q1 2022, the timeframes trended downwards, but rebounded in Q2, and steadily improved with 27% in Q3 and 48.2% in Q4. Twelve weeks of labour was lost throughout Q1 and Q2 due to COVID/unplanned leave and some attrition. At the end of December, staffing levels have slowly returned to planned levels, however, as seen in many industries the impact of unplanned leave and risk of attrition remains evident.

We are working with the industry to help forecast volumes to ensure we are prepared and able to manage volume spikes, as well as reviewing internal processes to streamline the activity.

4.1.2 Design review

The timeframe for the completion of design review was met in Q4 2022. The full year average of 17.4 days fell just outside the target of 16 days.

2022 targets were missed due to a combination of increased volumes together with reduced resources (as explained above).

We have provided some major design houses the option to self-approve designs where they have demonstrated a consistently high standard of quality. The initial benchmark is a first design submission approval rate of 80 per cent over a rolling 12 month period. This has resulted in a reduced design audit and faster turnaround.

Design review continues to trend favorably as we move through 2022 down from 22.2 days in Q1 to 16.7 days in Q3 to 12.7 days in Q4. This was helped by bolstering the design review team from 2 to 3 full time equivalents (FTE).

4.1.3 Requested final audit (first audit)

The timeframes for the completion of requested final audit were above our target (favourable) in 2021. The full year average for 2022 fell just short of target with 56.6% completed within 6 days against a target of 70%. We saw vast improvement in completion times in Q4 with greater resource availability and the benefits of process improvements implemented in early 2022 coming to fruition.

4.2 United Energy

United Energy met all performance measures in the third and fourth quarters of 2022 except for offers issued in Q4.

UE experienced resourcing issues (staff shortage) during Q4 of 2022. This inherently impacted the offers issued KPI. UE had identified this issue and applied discretion in allowing the service providers that were impacted with the option of submitting their designs prior to issuance of offer and contract to not cause delays in their project's programs.

Additional personnel resources have since been appointed and UE expect that 100% KPI scores can be achieved and maintained in 2023.

5 Additional initiatives

This section sets out other initiatives we have taken to improve the service, or an update on any initiative taken during 2022.

5.1 CitiPower and Powercor

Over the course of 2021, and continuing into 2022, we made a number of process improvements after taking note of industry feedback, as well as restructured the internal teams at CitiPower and Powercor to provide a more streamlined focus on contestable connection works.

5.1.1 New processes

In consultation with industry, we developed and implemented the following new processes:

- **Design template:** We introduced a simplified design template to reduce the need for design houses to create from scratch, reduce the design time and also help simplify the design audit.
- **HV rebate:** We streamlined the administration arrangements around the HV rebate ensuring that developers receive their rebate in a timelier manner and removing the need for them to remember to apply the rebate.
- **Separate public lighting approvals:** We introduced the ability for design houses to submit public lighting approvals separate to bulk of the estate ensuring that delays with council lighting sign off don't impact Powercor design approval.
- **As-built process:** Enhanced the as-built process by removing the need for the PM2 to request a task be added through process automation
- **New process:** Introduced a formal and simple process to allow 'conduit windowing', a critical component of cable installers being able to perform their work safely.
- **New process:** auditing of secured residential estates (high density housing).

5.1.2 Contractor rating program

We have introduced a new contractor rating program whereby industry participants (e.g. Option 2 Project Managers and VEDN auditors) who have demonstrated high quality work over time are able to participate in a reduced audit regime.

The performance of these industry participants was evaluated throughout 2021 with audit outcomes collated and assessed to award all participants with an overall contractor rating (A, B, C or D).

The program rewards those that build high quality electricity network assets, allowing Powercor to provide extended support to projects that need additional oversight.

Those rated A will experience a reduced audit regime, involving zero mechanical excavations for ~70 per cent of their projects and will also receive consent to SoC independent of a completed final audit.

The contractor rating has been further enhanced and as of October 2022, 'A' rated PM and VEDN audit companies were able (with additional photograph requirements) to unlock a 'AA' rating and a 'AAA' rating in 2023 as long as they meet the associated criteria and required consistency. This will further reduce the need to visit and mechanically excavate sites; will enable more desktop work and provide further efficiency.

As of December 2022:

- Excavation based audits for only 30% projects
- 11 of 15 Option 2 Project Management businesses are rated 'A' or above (two 'B' & one 'C' and one 'D')
- 6 of 11 VEDN Audit companies are rated 'A' or 'B' (five 'D')

5.1.3 Restructure of internal teams

In 2022, CitiPower/Powercor performed a review of Field Audit & Quality and end-to-end contestable work (Option 2) processes. Our analysis and customer and internal stakeholder feedback suggested an operating model change would help us provide a more consistent, flexible experience for our contestable works customers and stakeholders.

To this end, we established the 'Contestable Works' team. The team operates within our Customer Operations business unit and oversees and operates Option 2/Contestable Works processes end-to-end, reducing hand-offs and provides our customers and stakeholders with a single point of contact.

The contestable works team:

- provides contestable work stakeholders with a single team responsible for the end-to-end process, with a greater focus on customer outcomes
- ensures greater consistency throughout the life of the project and enable our team members to build relationships with external stakeholders and their teams
- owns all aspects of the process and hence focus on achieving customer outcomes without needing to balance with internal program objectives
provides a more flexible and customer focused audit process that seeks to align to industry needs whilst maintaining distribution standards.

5.2 United Energy

United Energy continues to improve communication and interaction with stakeholders.

UE "MyEnergy", an online application portal had been made available for consumer use in Q3 2022. This allowed customers, via their engaged service providers, to gain additional insight to their project's application progress through the online portal.

For both design and construction phases of the project, UE continued to maintain open communication between service providers and UE's internal design team and project managers. These

communication channels have proven to be successful, acting as a reflection of the results UE has achieved in the design review, authority to construct and commission KPIs.

Attachment A: Minutes from consultative committee meetings

A1. Quarter 3 minutes [redacted]

Meeting:	Quarter 1	Connections Customer Consultative Committee
Location	MS Teams	
Time and date	24/11/22 @ 1100	
Attendees	Industry	[redacted] ALDE; [redacted] Plan B ; [redacted] SMEC; [redacted] Dennis Corp; Council of Australia
	Powercor	[redacted] (Chair), [redacted], [redacted], [redacted],[redacted]
	United Energy	[redacted],[redacted]
	Secretariat/ minutes	[redacted]
Apologies	[redacted] Plan B, [redacted] UDIA; [redacted], [redacted] Winslows, [redacted] Property Council of Australia	

Actions				
#	Who	Description	Date due	Status
1.2	Chair	Work with [redacted] Plan B, [redacted] ALDE and other industry partners to implement a 'medium density/secure estate' audit process suitable to all parties [Update] Process in place on a trial basis. Formalisation to follow	Dec	In progress

Minutes	
Agenda item	Consensus/summary
1. Review outstanding actions	
2. Q3 2022 performance update	
3. In progress initiatives	
3a	Field v non-field audit stats 2022 YTD (and vs 2021)
3b	<p>Measures proposed for regulation</p> <p>[Motion] Committee supportive of UE/Powercor proposed measures (regulated & non-regulated) from 2023; noted all six measures will continue to be reported</p> <p>Powercor confirmed all existing measures will continue to be presented to industry at quarterly meetings beyond when regulation commences</p>
4. Other business - motions and meeting forward view	
4	<p>[X] Powercor noted industry changes will see the removal of gas and standard inclusion of solar in residences from next year. A topic for our next meeting</p> <p>[X] SMEC asked [X] Dennis Corp to speak on recent sales trends, suggested some downturn</p> <p>[X] Dennis Corp sought confirmation of new audit request cut off from 1 December. [X] Powercor clarified this is the cut off for assurance of completion prior to Christmas. Powercor will have team members available right through Christmas and new year break but not a full team</p> <p>[X] Dennis Corp sought clarity regarding medium density criteria/characteristics, confirmed by [X] Plan B</p> <p>[X] Powercor advised 4 main cable installers have ~400 projects with cables in ground that have not yet been filled in due to wet weather. Influx possible early 2023</p> <p>[X] Dennis Corp asked if we can also present the volumes of audits completed per quarter</p> <p>[X] Dennis Corp advises construction costs likely to remain high for the next 6 months</p>
5	Next meeting: 22 February 2023 at 11am

A2. Quarter 4 minutes [redacted]

Meeting:	Quarter 4	Connections Customer Consultative Committee
Location	MS Teams	
Time and date	22/02/23 @ 1100	
Attendees	Industry	[redacted],[redacted] ALDE; [redacted] SMEC, [redacted] Dennis Corp; [redacted][redacted]Plan B; [redacted] Winslows; [redacted] Property Council of Australia; [redacted],[redacted] UDIA; [redacted] SMEC
	Powercor	[redacted] (Chair), [redacted], [redacted], [redacted]
	United Energy	[redacted], [redacted],[redacted]
	Secretariat/ minutes	[redacted] (Chair)
Apologies		

Actions				
#	Who	Description	Date due	Status
1.2	Chair	Work with [redacted] Plan B, [redacted] ALDE and other industry partners to implement a 'medium density/secure estate' audit process suitable to all parties. [Update] Process in place on a trial basis. Formalisation to follow. [redacted] Powercor to arrange on site meeting to progress.	March	In progress
1.3	Chair	Follow up fast track for Option 2 process & check in re: Q1 timings	May	New
1.4	Chair	Follow up on master plan process with regard to changes needing re-approval/resubmission	May	New
1.5	[redacted] Powercor	Shortages/cost increases in kiosks. Anything we can do?	May	New

Minutes	
Agenda item	Consensus/summary
1. Review outstanding actions	
2. Q4 2022 performance update	
	<p>[X] Dennis Corp asked about Q4 tie in timings and the use of the fast track process [action].</p> <p>No questions regarding UE performance.</p> <p>[X] Dennis Corp asked about compliance audit process, [X] Powercor responded with description/benefit.</p>
3. In progress initiatives	
3a	[X] United Energy introduced new UE PM [X] United Energy
3b	[X] Powercor talked about further initiatives to derive greater value from the contractor rating scheme
3c	[X] Powercor talked about intentions to improve the master plan process; [X] SMEC said he had been advised by Powercor that masterplan changes require additional [re]approvals and required re-submission? [action]
4. Open forum: industry feedback & discussion	
4	[X] ALDE noted cost escalations and lead time increases in kiosks & suggested another site meeting
5. Other business and meeting forward view	
5	Committee happy to meet at Market Street for Q1 2023 meeting in May