



1 JAN - 30 JUNE

# 2019 Energy Charter

Annual Accountability Disclosure Report



## Contents

Messages from the Chairman of the Board, CEO and Customer Consultative Committee	01
<b>Executive Overview</b>	02
<b>Principle 1:</b> We will put customers at the centre of our business and the energy system	04
<b>Principle 2:</b> We will improve energy affordability for customers	10
<b>Principle 3:</b> We will provide energy safely, sustainably and reliably	15
<b>Principle 4:</b> We will improve the customer experience	21
<b>Principle 5:</b> We will support customers facing vulnerable circumstances	26
Conclusion	30



**Dr Helen Nugent,  
Chairman, Ausgrid**

## Chairman of the Board's Message

Since the change of ownership structure in December 2016, the Board of Ausgrid have been encouraging and supporting management's focus on improving customer services.

It is the Board's strong view that Ausgrid's long term success is ultimately dependent on its ability to meet and exceed customer expectations. We know that customers want an energy system which delivers affordable, reliable and sustainable services. Our shared future depends on all of us achieving those outcomes

Ausgrid is on a path of rapid improvement, to transform into a fully customer focused and community centered organisation. But there is much more work to do.

The Energy Charter provides a shared approach for assessing our individual and collective contributions to improving customer outcomes and experience. This will provide greater transparency, improved accountability and enhanced governance. This is in everyone's interests. We also know that our culture will be key to improving our customers' experience. Our membership of the Charter will also support our work to develop a more customer focused culture, and allow us to learn the lessons of our peers.

That is why I, as the Chairman of the Board of Directors, wholeheartedly support Ausgrid being a signatory to the Energy Charter.



**Richard Gross,  
CEO, Ausgrid**

## CEO's Message

Ausgrid is changing to deliver better customer outcomes. Customers expect affordable energy services; Ausgrid has reduced average network charges by 28% since 2015. Customers also expect us to support the transition to a lower carbon economy and to be more thoughtful about sustainability. This is an increasing focus for our business.

This reflects our efforts to put customers at the centre of our decision making. Many customers want more choice and control in how they buy, sell or share their energy, others need or want simple services. We must build a business that delivers for all customers, and we know we have work to do to achieve this goal. Our customers have been clear: we are not always easy to deal with; our processes are often unnecessarily complex; and our decisions haven't effectively addressed our customers' needs.

This first Energy Charter Annual Accountability Disclosure Report will provide a benchmark from which we can assess the effectiveness of our new approaches. Compiling the report has allowed us to take stock of what we have delivered and importantly, it has allowed us to identify areas where we can improve. The report will be a tool to support the cultural change and transformation required for us to truly become customer focused. I look forward to reporting our progress in our next disclosure report.

## Message from Ausgrid Customer Consultative Committee

The members of the Ausgrid Customer Consultative Committee (CCC) can confirm that the information contained in this report reflects the commitments Ausgrid has made to be a more customer focused business.

The CCC has been actively involved in the co-development of Ausgrid's Revised Regulatory Proposal, which has already delivered cost savings to customers. We have also been involved in developing Ausgrid's customer commitments, which we believe is a good foundation upon which to build customer focused outcomes.

We acknowledge that Ausgrid is making changes to improve the way it addresses customer concerns. We see our role as to support the change, hold the business accountable on delivery of commitments, and to test programs against customer views. We also view our role as working with Ausgrid to take more action on some principles, for example in sustainability and Distributed Energy Resources (DER) integration, in future years.

# Executive Overview

## Our approach to producing this report

In producing this, our inaugural Energy Charter Annual Accountability Disclosure Report (Energy Charter), Ausgrid has undertaken a review of the practices we have in place to engage with customers, understand customers and shift our business to deliver services that better address their expectations.

We note the guidance from the Accountability Panel to provide an honest appraisal of our business' current situation, identify our ambitions and show how we propose to get there.

Ausgrid's disclosure outlines our activities against each of the Principles in Action under the 5 Principles of the Charter. For each Principle we provide an opening statement, key areas for improvement, a table of actions against each principle and highlight one or two case studies. The areas of improvement will be reported in next year's report.

We have outlined the impact and/or benefit of each activity. We have also acknowledged that, while every effort has been made to provide the relevant evidence of customer benefit, there is much more work to do to demonstrate this over time. This is a key area we need to improve on and highlights the value of developing this report.

Through this exercise, we have paused and reviewed our commitment to listen more intently and act with more diligence on what customers, the community and our stakeholders are saying.

Our membership of the Energy Charter has reinforced our belief that real and meaningful engagement with customers is central to changing our business for the better. We are already witnessing the positive results of working with our customers during the preparation of our Revised Proposal. This has delivered more for customers than if we worked alone.

## Our customer and stakeholder research

In order to better understand our customers and stakeholders, Ausgrid has undertaken a number of surveys to track the movement in customer views. This work enables us to test effectiveness of programs and to better incorporate customer priorities in our business activities.

The **Customer at the Centre** research program (a series of surveys and workshops with customers and customer advocates), formed the reference point for our Revised Proposal and the FY20 Customer Strategy. Results are below:



Ausgrid's **Materiality Assessment** undertaken with employees, stakeholders, customer advocates, industry bodies, regulatory bodies and shareholders identified six material issues: health and safety; emerging technologies; resilience; cyber and physical security; customers and communities and affordability. This reflects the period 1 July 2018-30 June 2019.

**RepTrak®** measures the health of an organisation's overall reputation. The RepTrak® score is based on four statements: the esteem, good feeling, trust, and admiration that stakeholders and consumers feel towards an organisation. In January 2019 RepTrak® completed an assessment of Ausgrid's reputation to inform our FY20 Business Strategy and Plan. The RepTrak® study was undertaken with two audiences:

- **Stakeholders** – assessed on the basis of 34 stakeholder surveys (Offices of Members of Parliament, councils, regulators and major customers). Ausgrid's score for the stakeholder component was 66.3 (weak to vulnerable); and
- **Community** – assessed on the basis of an online survey of 750 NSW residents. Ausgrid's score for the community component was 68.5 (average to moderate).

RepTrak® results showed there are three primary drivers of reputation: governance (ethics, openness and transparency), citizenship (community investment, sustainability efforts), and delivery of products and services (reliable services, quality products). Citizenship and governance were the dimensions where Ausgrid received its lowest results.

**Monthly Transactional Net Promoter Score (NPS)** surveys completed over the first half of 2019 show an average score of -15 for Q2 compared to an average score of +9 for Q1. This low result in Q2 reflects the impact of the Pause on live work.

The **B2B Pulse Check** with **Councils** and with **Accredited Service Providers (ASP)** identified that only 1 in 3 Council customers are satisfied with the duration of processes, with the majority citing processes were long and complex. 55% of Council customers are satisfied with our responsiveness to their queries; and a little over half of our ASP customers are satisfied with the quality of information we provide, as well as the ease of accessing this information.

We are currently in the process of conducting Pulse Checks with major connections customers and retailers.

## Addressing customer concerns in our Business Strategy

The findings of the above research influenced the development of our FY20 Business Strategy. This involved adding a new strategic pillar 'Fostering Community Trust' which includes three priority programs; Building trusting stakeholder relationships; Basics done brilliantly customer service; and Fostering sustainable communities.

The objective of these programs is to better enable Ausgrid to address customer needs, deliver more collaborative governance, improve Ausgrid's understanding of their emerging needs and then design services to meet them.

## Who is Ausgrid

Ausgrid's network of substations, powerlines, underground cables and power poles across Sydney, the Central Coast and the Hunter Valley is a shared asset that connects our customers and their communities. The network has powered the lives of our customers for over a century.

Our customers' expectations and needs have changed over this time and will continue to change as technologies evolve. Our customers range from small residential households consuming about 5 megawatt hours per year, thorough to large industrial customers consuming more than 40 Gigawatt hours per year. Residential customers make up 89% of our customer base, but business accounts for 66% of energy consumption.

Today we support over 20 percent of the national gross domestic product and serve over 4 million people in 1.7 million homes and businesses.

Ausgrid has approximately 3,600 employees, based across our 26 depots and our main office in Sydney. Our shift to improved customer outcomes will not be successful without the contribution of all staff who are directly or indirectly responsible for the quality of service to our residential, small and large business customers receive.

Our core business is to provide distribution network services, we do this by building and operating assets and delivering non-network solutions to ensure our customers have safe and reliable access to electricity at an efficient and reasonable price.

Through a better understanding of our customers' needs and expectations we can work to better deliver services and to gain their trust. Trust that we are working in their interests to deliver services affordably, while maintaining a safe and reliable network.

**Our Vision** is to become a leading energy solutions provider, recognised both locally and globally.

**Our Purpose** is to connect communities and empower lives with a focus on affordability, reliability and sustainability.

## Our Values



Work safe, live safe



Customer-focused



Commercially minded



Collaborative



Honest and accountable



Respect





## Principle 1: We will put customers at the centre of our business and the energy system

This section describes the programs, processes and measures Ausgrid has in place to address the cultural change needed to become a business that puts customers at the centre of decision making. At Ausgrid, we agree that getting the culture right within the business will not only deliver on our customer commitments but also our long-term success. Against Principles in Action (PIA) 1.1 to 1.4 we show how the Board contributes, managers are responsible for, and staff are incentivised to shift us from an asset focused business to a customer focused one. Actions against PIA 1.5 show the steps we are taking to embed a culture of innovation and collaborate with energy sector stakeholders. This work has highlighted weaknesses and areas that need improvement.

### Areas to improve:

- **PIA 1.1 - Develop customer scorecard** – We are developing a Customer Scorecard (that will be tested with customer advocates) to track the effectiveness of our customer improvement actions. This includes the introduction of an annual reputation score, RepTrak®, to show the organisation's overall reputation with consumers and key stakeholders. Improving the RepTrak® score will be a key measure for the Executive Leadership Team's long-term incentives. Specific measures contained in the Customer Scorecard will be promoted across the business to support cultural change.
- **PIA 1.3 - Accelerate cultural change** – Being 'customer focused' has been one of Ausgrid's values since 2016, yet we are seeing negative sentiment from customers. To address this, we are developing a comprehensive internal communications program to embed customer focused practices and raise awareness of business practice changes that will support better customer outcomes.
- **PIA 1.3 - Improve awareness of Energy Charter principles across our business** – Improving awareness of the principles in the Energy Charter will assist in our cultural change. One action will be to promote the Energy Charter Principles and Principles in Action, as a reference point to deliver better customer outcomes, during the staff performance review process.

Measures to assess and track service delivery to customers	Results for Quarter 4 FY2019
Annual Customer RepTrak® score	Benchmark survey underway
Annual Stakeholder RepTrak® Score	Benchmark survey underway
Claims volumes	526 (down 55% to Q3)
Complaints volumes	1,345 (down 19% to Q3)
Energy & Water Ombudsman NSW (EWON) complaints	41 (down 45% to Q3)
Monthly Customer Net Performer Score (NPS)	-13 (down from +5 in March)
B2B Pulse Check - Accredited Service Provider NPS	-39 FY19
B2B Pulse Check - Council NPS	-46 FY19
Contact Centre Grade of Service	83.9% (down from 84%)
Controllable National Energy Customer Frameworks (NECF) Type 1 Life support breaches	1 in FY19
Customer focused performance standards for all staff in the Career, Capability and Remuneration Framework (CCR)	Annual review
Monthly Executive Leadership Team (ELT) and Board Customer Performance Report – tracking NECF and STPIS compliance, customer NPS and EWON complaints	See component scores
Tracking Customer Commitments, outlined in our <a href="#">Revised Proposal</a> page 16	Ongoing delivery

**1.1 Have a Board that actively oversees the business' culture so as to be aligned with Energy Charter Principles.**

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
<p>1.1.1 Ausgrid Board formalised commitment to Energy Charter Principles and endorsed programs to embed increased customer focus across Ausgrid's business.</p>	<p>The actions outlined support the delivery of customer benefits, such as:</p> <ul style="list-style-type: none"> <li>• Customers can be confident in our top-down commitment to engage and do 'what's right' to address customer needs.</li> <li>• Ausgrid staff are engaged and aligned with a common vision that places the community and its customers at the centre of our service delivery.</li> </ul>	<ul style="list-style-type: none"> <li>• Board approved initiatives include: a new customer focused Business Strategy, new FY20 Customer Strategy and the Revised Proposal developed with customers.</li> <li>• Board endorsed a new program 'Fostering Community Trust' included in the business strategy to strengthen customer and stakeholder engagement. The outcomes will be tracked against our Reputation Score, generated by RepTrak®.</li> <li>• Board approval of Customer Commitments and the establishment of new advisory committees (outlined in our Revised Proposal) to allow increased collaboration and input on innovation program decisions.</li> <li>• Our internal Customer Performance report is reviewed monthly by the Executive Leadership Team (ELT) and Board. The measures include: National Energy Customer Framework (NECF), Service Target Performance Incentive Scheme (STPIS), Customer Net Performance Score (NPS), Energy &amp; Water Ombudsman NSW (EWON) escalations and the number of complaints and claims. Board review has resulted in improvement programs. For example, complaints review and review of call abandonment.</li> <li>• Board approval of new customer focused metrics and values are included in the Long-Term Incentive Plan (LTIP) for executives.</li> <li>• Monitoring of staff engagement via annual Employee Survey. The results show that Ausgrid employees feel positive about their customer focus and believe we act in the best interests of customers.</li> </ul>

**1.2 Have management operationally accountable for embedding a 'customer at the centre' culture.**

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
<p>1.2.1 Restructuring of business so areas with primary customer responsibilities report to the new Chief Customer Officer role.</p>	<ul style="list-style-type: none"> <li>• Better alignment and focus on customer engagement.</li> </ul>	<p>Bringing together areas responsible for customer engagement (Customer Experience, Customer Connections, Strategy, Regulation, Pricing and Corporate Affairs) will provide better management, accountability and consistency of service delivery, in place of disconnected approach to customer engagement. Corporate Performance and RepTrak® Score will track effectiveness of activities.</p>
<p>1.2.2 Shift in approach to incorporate more behavioural measures and external metrics at the management level to incentivise customer-focused delivery.</p>	<ul style="list-style-type: none"> <li>• Introducing customer-focused metrics as measures of success will increase accountability, transparency and drive cultural change for the ultimate benefit of our customers.</li> </ul>	<ul style="list-style-type: none"> <li>• The introduction of annual Reputation Scores (RepTrak®).</li> <li>• Customer focused metrics and values are now included in the LTIP and Short-Term Incentive Plan (STIP) for executives.</li> <li>• Customer Focused Performance Standard forms part of Ausgrid's performance development framework and is included in the STIP and bonus payment for senior managers.</li> <li>• Customer Manager's KPIs are measured on escalations to EWON and STIPIS targets (answering calls, System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) results and answering fault calls). Other metrics include, volume of complaints, volume and value of claims, controllable NECF Type 1 Life support breaches. <b>See Principle 4 (p.21).</b></li> </ul>

		<ul style="list-style-type: none"> <li>• Ausgrid supports the Australian Energy Regulatory (AER) STPIS proposal to incorporate customer complaint management into the regulated framework.</li> <li>• Transformation Program workstreams (tracked at an executive level) are in place to ensure our systems support a customer focused culture. One example is the design and development of a customer end-to-end value chain program to ensure a consistent and integrated approach to managing the customer lifecycle.</li> </ul>
--	--	--

**1.3 Ensure their work force is engaged and incentives are aligned to drive positive customer outcomes.**

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
1.3.1 Formally integrating customer-focused indicators as a component of staff evaluation.	<ul style="list-style-type: none"> <li>• All employee KPIs, from office to frontline, include demonstrated action against our values. Articulating this in performance reporting will help create a culture where the work force is focused on addressing customer concerns in service delivery.</li> <li>• Incentivising employees and recognising positive customer behaviours helps create a healthy competitive culture to improve customer outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>• Ausgrid is driving cultural change through the introduction of customer focused performance standards included in the Ausgrid employee performance development framework and annual performance review cycle, Ausgrid’s Career, Capability and Remuneration Framework (CCR).</li> <li>• Ausgrid assesses employee performance against the customer focused performance standards and can measure movement between performance ratings of exceeding, meeting or not meeting on an annual basis.</li> <li>• Employee Engagement Score and Pulse Survey measures staff views on customer commitment and creates a benchmark of engagement.</li> <li>• Customer quality improvement program works to address drivers of poor NPS scores and improve customer experience. <b>See Case Study PIA 4.3 (p.25). See NPS (p.4).</b></li> <li>• Establishment of Energy Charter Working Committee to provide input to Energy Charter and assist with internal promotion of Principles.</li> </ul>

**1.4 Have robust processes to determine customer and community needs and be accountable on how feedback has been considered and incorporated into decision making.**

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
1.4.1 Customer and consumer advocate engagement program to collaboratively develop the Revised Proposal.	<ul style="list-style-type: none"> <li>• Customer views were incorporated in the final Revised Proposal and resulted in substantial affordability improvements for customers.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>See Case Study PIA 2:1 Ausgrid Revised Proposal: delivering better customer outcomes (p.14).</b></li> <li>• Ausgrid and customer advocates developed and agreed on a series of customer commitments, that will be tracked and reported to the Ausgrid CCC, Ausgrid executive leadership and the Board.</li> </ul>
1.4.2 Introduction of new collaborative engagement on innovation, pricing and technical issues.	<ul style="list-style-type: none"> <li>• Improved consideration and visibility of customer views in business decisions.</li> <li>• Customers drive the direction of our innovation program and ensure that optionality is considered in future investments.</li> </ul>	<ul style="list-style-type: none"> <li>• Terms of reference and guiding principles for customer committees were developed with customer advocates. To improve transparency and share learnings. Non-confidential committee documents are published on Ausgrid’s website.</li> <li>• In addition to the <a href="#">Customer Consultative Committee</a> (CCC), customer representatives will work with Ausgrid executives and managers through the Network Innovation Advisory Committee (NIAC), Pricing Working Group (PWG) and the Technical Review Committee (TRC) to improve customer perspectives in our decisions. <b>See Revised Proposal (pp.22-24).</b> Working groups report to the Ausgrid CCC, which is chaired by Ausgrid CEO.</li> </ul>



<p>1.4.3 Improving customer research to better understand customers' views on our services and energy needs, to inform the way we refine our approach and delivery of services.</p>	<ul style="list-style-type: none"> <li>Improved customer research means customer feedback is more accurately expressed.</li> <li>Customer surveys and having systems in place to monitor and act on customer feedback improves customer service delivery.</li> </ul>	<ul style="list-style-type: none"> <li>Implemented the 'Voice of Customer' research program. This includes monthly NPS (1000 customers), Pulse Check for B2B customers and Complaints Management Assessment. Key results are shown on pages 4 and 21. Ausgrid released Pulse Check results to ASPs and Councils, along with action plans. The creation of an ASP Partner Portal and a Council Portal are two responses to survey feedback. <b>See Ausgrid Action 2.3.1 (p.11) and Action 4.3.3 (p.23).</b></li> <li>NPS are reported to Ausgrid Board monthly and programs of works have been developed to improve our scores. <b>See Ausgrid Action 2.3.1 (p.11) and Action 4.3.3 (p.23).</b></li> <li>Ausgrid conducted a materiality review as part of our Sustainability Report to understand the issues that are important to stakeholders. Material issues identified are being addressed through programs in the Ausgrid Business Strategy.</li> <li>EWON quarterly check-ins to discuss customer issues and complaints and take actions to address concerns. Eg: working with EWON on the high to low voltage claims. <b>See Case Study PIA 4.4 (p.25).</b></li> <li>Our Customer Recovery Program involves customer contact centre staff calling customers to resolve matters raised via customer surveys.</li> </ul>
<p>1.4.4 Improving the systems and means of how we 'listen' and respond to our customers.</p>	<ul style="list-style-type: none"> <li>Improving systems and platforms for community and customer input and feedback means that customer voices can be heard on a regular basis and more sustainably. This enables us to respond in a more timely, consistent and effective manner.</li> </ul>	<ul style="list-style-type: none"> <li>Executive monthly monitoring on delivery of Customer Commitments. <b>See Action 1.4.2 (p.6).</b></li> <li>Introduction of new Customer Relationship Management (CRM) tool. <b>See Case Study PIA 4.3 (p.25).</b></li> <li>Conducting a bi-annual review of call centre templates, including email, social media and quick reference guides, to improve relevance to customer issues and engagement.</li> <li>Completed a review of Council and community engagement. <b>See Case Study PIA 1.4 (p.9).</b></li> <li>Reviewed Member of Parliament issues and response process to improve quality and timeliness of responses to customers who have written to their local member.</li> <li>Research with input from Ethnic Communities Council was completed. This identified culturally and linguistically diverse (CALD) communities in our area, mapping safety incidents against language group and council area.</li> <li>Ausgrid has dedicated tools for consultation on Major Project works to ensure we track and respond to customer feedback and advise residents of the actions we have taken to improve projects.</li> </ul>

**1.5 Demonstrate a culture of innovation and collaboration for positive customer outcomes, including through the sharing of insights with government, research institutions and across the supply chain, as well as joint advocacy on regulatory, policy and operational issues.**

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
<p>1.5.1 Establishing internal and external forums to promote innovative and collaborative practices and initiatives.</p>	<ul style="list-style-type: none"> <li>Knowledge sharing among industry peers and between staff provides learning and improvement opportunities that are reflected in the quality of service for customers.</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of the internal Strategic Innovation Working Group to coordinate innovation across Ausgrid and engagement with stakeholders.</li> <li>All innovation and sustainability projects are being tracked against Energy Charter Principles to embed customer perspective and align with the Principles.</li> </ul>

	<ul style="list-style-type: none"> <li>Engagement with demand management stakeholders to improve information sharing and accelerating the development of non-network solutions will, in the long term, lead to lower network costs and prices to customers.</li> </ul>	<ul style="list-style-type: none"> <li>Participating in the Energy Networks Australia (ENA) and Australian Energy Market Operator (AEMO) Open Networks.</li> <li>Establishment of collaborative forums. <b>See Action 1.4.2 (p.6).</b></li> <li>Collaboration with Local, State and Commonwealth Governments through sharing of data and network expertise to aid in the evaluation of government energy efficiency programs and guide policy and decision making.</li> <li>Quarterly <a href="#">e-newsletters</a> are sent to demand management stakeholders to share knowledge and offer the opportunity to provide input.</li> </ul>
1.5.2 Implementing collaborative projects and advocacy initiatives.	<ul style="list-style-type: none"> <li>Customer advocates have input on the development of Ausgrid policy or regulatory positions, ensuring they better addresses customer needs and expectations.</li> <li>The accelerated rollout of LED streetlights will reduce carbon emissions and costs to Councils and residents, whilst addressing customers calls for safer lighting.</li> <li>The <i>evolve</i> project will support customers to make the most of investments in solar and batteries and in the future electric vehicles and assist with better visibility of network needs.</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of collaborative forums.</li> <li>Ausgrid has formally put our support behind the Reliable Affordable Clean Energy for 2030 Cooperative Research Centre (<a href="#">RACE for 2030 CRC</a>) as an industry partner. The CRC's vision is "a customer-centred clean energy transition". Ausgrid contributes to this vision through innovative industry-led research across the energy supply chain.</li> <li><i>Evolve</i> project - When completed the project will assist to provide new low-cost ways of accommodating our customers' distributed energy resources, like solar PV and batteries. Ausgrid's project partners are Australian Renewable Energy Agency (ARENA) and the NSW Government.</li> <li>Power 2U program. <b>See Case Study PIA 1.5 (p.9).</b></li> <li>Accelerated rollout out of 100,000 energy efficient LED streetlights by working with 33 Councils and NSW Government, saving emission reductions and costs for Councils and residents.</li> <li>The Charge Together project. <b>See Action 2.3.2 (p.12).</b></li> </ul>

## Future Actions

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
<b>PIA 1.1</b> - Development of an externally reported Customer Performance Scorecard.	<ul style="list-style-type: none"> <li>Improve measurement and reporting of customer benefits and give visibility to customer service improvements.</li> </ul>	<ul style="list-style-type: none"> <li>To improve tracking performance of customer service delivery. A new Customer Performance Scorecard will be developed with input from the CCC.</li> </ul>
<b>PIA 1.3</b> - Drive culture change with the development of a comprehensive internal communications program to raise awareness of improved customer focus programs to support better customer outcomes.	<ul style="list-style-type: none"> <li>Providing timely and easy-to-use visual data on customer, satisfaction and speed of response to requests allows staff to act on areas in need of improvement.</li> </ul>	<p>Develop an internal engagement program to better embed Ausgrid values and behaviours, including customer centricity. This will include:</p> <ul style="list-style-type: none"> <li>Improving awareness of the Energy Charter Principles and our first Disclosure Report</li> <li>Communicating the use of Energy Charter Principles in performance reviews, as a guide to define the ways staff are working to more efficiently deliver services and address customer needs.</li> <li>Explore ways to improve staff recognition for demonstrating excellence in customer focus and customer delivery.</li> <li>Roll-out of customer metrics and dashboards visible across internal channels to all staff. This will provide greater visibility of customer feedback and performance against metrics.</li> </ul>



## CASE STUDY

### ADDRESSING PIA 1.4

## Community engagement workshops held to identify how we engage more effectively

As part of our continued efforts to listen more effectively to our customers, Ausgrid held two internal workshops in March and April 2019 to review our approach to stakeholder and community engagement.

The workshops focused on developing an aligned understanding within the organisation on why we engage with customers, determining which approaches work best, uncovering factors that hinder effective engagement, and deciding what we need to change to better engage. A review of our current Community Engagement Handbook was undertaken. Teams identified customer and community issues requiring more attention and explored new approaches to appropriately engage.

The data captured at the workshops suggested that there is room for improvement in several areas. These included internal and external coordination; shared visibility of work programs to promote collaboration between Ausgrid and Councils; customer understanding of Ausgrid's role, operations and future direction; and the need to engage earlier in the planning process. Hot topics suggested for ongoing engagement included solar power, community batteries, demand management, regulation, project planning and design options.

Outputs included recommendations to commit to improved engagement from leadership; develop necessary tools to ensure quality and consistency in engagement across the organisation; invest in building relationships; record engagement and capture data; build capabilities through training; form a working group of representatives from the various Ausgrid engagement teams; audit the Ausgrid Community Engagement Handbook and potentially produce supplementary material; and develop engagement training modules. Ausgrid has commenced developing a new Engagement Model and Strategic Plan and implementing measures for more efficient alignment and coordination with Councils. This has formed the basis of community engagement and council engagement plans.

### ADDRESSING PIA 1.5

## Collaborative solution development: Power2U demand management program

To incentivise and encourage households and businesses to adopt energy efficiency measures such as installing new solar power, Ausgrid is partnering with Australian Renewable Energy Agency (ARENA) and the City of Sydney on the [Power2U](#) program. More than 200 customers have participated to date. The two-year program will operate in 20 suburbs in the Sydney area. It is part of our efforts to develop innovative demand management solutions that allow Ausgrid to manage the network more flexibly and improve reliability for customers in our network.



## Principle 2: We will improve energy affordability for customers

Ausgrid's customers have confirmed that energy affordability is a key concern. We are working to address this in the way we maintain and build assets and support customers to manage their energy use. In this section we cover how Ausgrid is working to ensure investments are made in the interests of customers, the work we are doing across the supply chain to deliver efficiencies and how Ausgrid works with energy sector colleagues to advocate on behalf of customers. The following key actions have been identified to address areas that need improvement.

### Areas to improve:

- **PIA 2.1 - Better incorporating customer views in our investment decisions** – It was highlighted during the Revised Regulatory Proposal consultation process, that we need to better show customer value when determining programs, for example in our replacement expenditure and ICT programs. To address this, we have commenced a review of how Ausgrid's capital investments are evaluated. The criteria used when approving investments will be updated to apply greater emphasis on customer outcomes (this is one of our customer commitments).
- **PIA 2.1 - Customers have asked us to further consider demand management solutions** – While we have used demand management solutions to help defer costly network investment (for example deferral of Mascot Zone replacement and Gillieston Heights network constraint), we recognise that there is more we can do in this area and will work with the NIAC to consider further projects and the best way to assess programs.
- **PIA 2.2 - Provision of energy advice to customers** – Our customer access to data, impartial advice and tools to navigate the energy sector could be greatly improved (for example the meter data reports Ausgrid provides showing information on energy use are difficult to understand or use). We have commenced work to understand the types of energy advice customers need to make informed energy decisions and to explore the role we can play in addressing gaps and improving the information we provide. Assessment and measurement tools will be built into this process.
- **PIA 2.3 - Addressing concerns raised by Accredited Service Providers (ASPs)** – Our NPS results for Q1 were poor. Just over half of ASPs were satisfied with the duration of our processes, consistency in how we apply processes and the complexity of these. Only 1 in 3 felt we provided the right information at the right time. Additionally ASPs were concerned about not having a single point of contact. Actions we are taking to address this are shown in action 2.3.1 (p.11).

Measures to monitor affordability	Metrics
Price reductions in Revised Proposal	See Case Study PIA 2.1 (p.14)
Opex productivity outcomes	1% change in opex pa from FY21
Ausgrid performance within the AER's opex Multilateral Partial Factor Productivity (MPFP) benchmarking	12 out of 13 businesses FY18
B2B Pulse Check - Accredited Service Provider NPS	-39 FY19

**2.1 Ensure that investment, commercial and operational decisions are cost efficient, and explain how customers benefit from these decisions.**

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
2.1.1 Consultation program with customers to develop the Revised Proposal.	<ul style="list-style-type: none"> <li>See case study.</li> </ul>	<b>See Case Study PIA 2:1 Ausgrid Revised Proposal: delivering better customer outcomes (p.14).</b>
2.1.2 Collaborating on pricing reform.	<ul style="list-style-type: none"> <li>Co-designed pricing reform to reflect customer advocate concerns and develop pricing structures to deliver lower prices for customers in the long term.</li> </ul>	With support from customer advocates we co-created a fundamental change in our tariff strategy with the introduction of a new demand tariff to deliver long term customer savings. We created materials to describe the changes and how networks fit in the energy supply chain. These were tested with customers in an online forum and with customer advocates. Materials were amended following feedback.
2.1.3 Joint planning with other networks and infrastructure providers.	<ul style="list-style-type: none"> <li>Major infrastructure investments are planned collaboratively enabling investment efficiencies and lower overall costs for customers.</li> </ul>	<ul style="list-style-type: none"> <li>To reduce costs for customers, Ausgrid carries out joint planning with adjacent distributors Endeavour Energy and Essential Energy. For example, the supply solution for Ausgrid customers at Auburn and Lidcombe via a connection from Endeavour Energy's Camellia substation resulted in a lower cost than supply within Ausgrid's network.</li> <li>Joint planning with Roads and Maritime Services (RMS) and the application of cost-benefit analysis projects has resulted in significant savings. For example, the replacement of the Willoughby – Mosman 132kV feeders coordinated with RMS road works resulting in significant savings compared to the like-for-like replacement option.</li> <li>TransGrid and Ausgrid are cooperating in joint network planning to minimise costs for the community. The <a href="#">Powering Sydney's Future</a> project is one example and the final scope of the project was developed through close consultation with community representatives.</li> </ul>

**2.2 Offer customers energy deals that best meet their needs, supported by effective tools and incentives for customers to manage their energy use and cost.**

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
2.2.1 Reviewing and updating tools and implementing programs to support customers to better manage their energy use.	<ul style="list-style-type: none"> <li>With the right information and level of understanding, customers are better positioned to make more informed decisions regarding energy use and expenditure.</li> </ul>	<ul style="list-style-type: none"> <li>Personal household electricity usage National Meter Identifier (NMI) downloads are being reformatted to ensure they are easier to understand and use.</li> <li>Ausgrid's <a href="#">Power2U</a> program encourages customers to adopt renewable energy and efficiency measures. <b>See Case Study PIA 1:5 (p.9)</b></li> <li>Ausgrid's Virtual Power Plant (VPP) trial program improves industry understanding of the performance and cost savings from customer battery systems. <b>See Case Study PIA 2.4 (p.14).</b></li> </ul>

**2.3 Work cooperatively across the supply chain and with other stakeholders to improve affordability over the short and long term.**

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
2.3.1 Working to address concerns raised by ASPs.	<ul style="list-style-type: none"> <li>Reduced complexity and improved clarity of Ancillary Network Services (ANS) fee structure balancing affordability with efficient delivery of services.</li> <li>Enable more customer funded works to be open to a competitive marketplace, giving customers more choice to get work done.</li> </ul>	<p>Our ASP NPS result for Q1 2019 was poor. ASPs who responded highlighted that they want better access to the right information at the right time, less complex processes and better consistency of process application. Additionally, ASPs are seeking better accessibility to Ausgrid staff and a single point of contact. In response Ausgrid will:</p> <ul style="list-style-type: none"> <li>introduce an ASP online portal to allow ASPs to have better to access information on their projects.</li> <li>review our internal policy on the classification of contestable services to improve consistency in how we determine contestable works.</li> </ul>

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
		<ul style="list-style-type: none"> <li>undertake a collaborative end-to-end connections process workshop with ASPs and customers to improve our processes.</li> <li>Ausgrid developed a ANS framework that was implemented on 1 July 2019. This has simplified the range of services Ausgrid provides to our customers. It also improves the transparency of what we charge our customers and enables Ausgrid to provide granular feedback on services delivered</li> <li><b>Measure:</b> ASP B2B NPS</li> </ul>
2.3.2 Collaborate with Government and industry partners on the introduction of electric vehicles.	<ul style="list-style-type: none"> <li>Better understand customer preferences and intentions on use and purchase of electric vehicles.</li> <li>The Charge Together project could accelerate the development of improved forecasting techniques for electric vehicles. This can lead to more efficient network investment and lower network costs and prices to customers.</li> </ul>	Ausgrid is a participant in the <a href="#">Charge Together project</a> , with a broad coalition of partners including EVenergi, ARENA, Electric Vehicle Council, NRMA, New South Wales, South Australia and ACT governments and many others. Among a broad range of objectives, the project will provide insights and data we can use to better understand our customers' preferences and intentions for purchase of electric vehicles now and in the future and how this integrates with local renewable generation. This information will help guide Ausgrid's forecasts used to plan the network and drive potential capital investment savings. The results will be publicly reported.

#### 2.4 Innovate to deliver competitive energy solutions for business and residential customers.

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
2.4.1 Implementing innovative programs, projects and initiatives.	Trialling innovation helps test real customer benefits and lead to increased options and incentives for customers.	<b>See Case Study PIA 2.4 Virtual Power Plant: working to reduce bills (p.14).</b>

#### 2.5 Advocate on behalf of customers to improve energy affordability through engagement in regulatory and policy processes.

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
2.5.1 Ausgrid engages with advocates to improve regulatory and policy processes to improve customer outcomes.	<ul style="list-style-type: none"> <li>Advocacy efforts lead to improved energy affordability for customers. Working with customer advocates on submissions helps to better represent customer perspectives.</li> </ul>	<p>Over the last 12 months we have been an active participant in many policy processes across the industry. We have consulted with our CCC on a number of these, resulting in submissions that better incorporate the views of our customers. For example:</p> <ul style="list-style-type: none"> <li>We liaised with PIAC and ECA in developing our submission supporting the AEMC's rule change to create a wholesale demand response mechanism. The demand response mechanism is a step towards a genuine 2-way energy market where energy consumers are empowered to reduce costs across the energy supply chain.</li> <li>Regulatory arrangements for stand-alone power systems (SAPS) and embedded networks. Our submissions focussed on maintaining consumer protections and market designs for SAPS that deliver energy at lower costs for consumers.</li> <li>Establish regulatory sandboxes, which will enable businesses to trial innovative new approaches to delivering value for customers that may not be catered for in existing regulations. This could include the deployment of community batteries. Develop a new customer service incentive scheme that uses reliable means of measuring whether customers receive good outcomes from their electricity distributor.</li> <li>Ausgrid liaised with ECA, EUAA and PIAC to submit a proposal to the AEC IT review in order to target more efficient IT expenditure across energy networks.</li> </ul>

## Future Actions

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
<b>PIA 2.1</b> - Review of investment governance.	Customer views incorporated into investment governance.	Ausgrid is currently reviewing all its investment governance to enhance decision making and ensure alignment between the decisions made and the company's core values. As a key part of this review, the way in which capital investments are evaluated and the criteria utilised when approving those investments will be updated to apply greater emphasis on the Customer outcomes. This is one of Ausgrid's customer commitments in our Revised Proposal.
<b>PIA 2.1</b> - Further consider demand management solutions.	Deferral of capital expenditure and reduction of future costs.	Customers have asked us to further consider demand management solutions. We will work with our NIAC to consider further projects and the best way to assess programs.
<b>PIA 2.1</b> - Review of Repex model.	Improve accuracy of replacement expenditure (Repex) model. This will assist to ensure that no more investment is committed than needed to support safe and reliable operation of assets used to supply customers.	Ausgrid is working with the AER on improving Repex modelling.
<b>PIA 2.2</b> - Provision of independent advice to customers.	Customers have the tools/ information needed to make informed decisions from a source that does not benefit from these decisions.	Conduct customer research to identify gaps in the information/ tools available to customers so they can make energy decisions in their best interests. Our intent is to then develop solutions that assist customers in making informed decisions.
<b>PIA 2.4</b> - Feasibility test of community batteries.	Improves equity allowing customers without the space, home ownership or capital to purchase energy storage capacity in order to save on electricity bills and defer network investment.	The Community Battery Feasibility Study, with involvement from customer advocates, will test the economics, regulatory and engineering considerations of providing a community battery solution. This will proceed to trial should tests prove positive.



## CASE STUDY

ADDRESSING PIA 2.1

### Ausgrid Revised Proposal: delivering better customer outcomes

Ausgrid engaged with customers on the development of our Revised Proposal. Following a review by customer advocates, we were advised that the customer view was not effectively reflected in the proposal. This led us to significantly shift our approach to customer engagement to more openly sharing the challenges we were facing with customer advocates. Working with customer advocates, our spending plans were revised and submitted in our Revised Proposal (January 2019). This collaboration enabled Ausgrid's proposal to be accepted by the Australian Energy Regulator (AER) on 30 April 2019.

Specific actions included in our Revised Proposal in response to customer feedback are listed below:

- We reduced our proposed capital investments for the 2019–24 period by \$393 million (13%), with savings from the reduced capital expenditure directly flowing through to customers.
- We applied a compounding 1% pa productivity adjustment to our operating expenditure from FY21 onwards. Ausgrid was the first privately owned business to apply a productivity adjustment, and 1% pa was higher than the AER's industry standard productivity expectation of 0.5% pa. Increased opex productivity will flow directly through to customers in the form of lower network charges now and into the future.
- We excluded innovation, operational technology and cyber security expenditure from capital efficiency sharing schemes. Expenditure excluded from the capital efficiency sharing scheme means that customers will receive 100% of the savings if Ausgrid manages to reduce the costs of those projects or efficiently defer those projects to a later time.

Incorporating the actions taken by Ausgrid, the Revised Proposal delivered network charge reductions of \$71 for our average residential customer from 1 July 2019. This builds on the \$142 in reductions since 2014. Overall this equates to \$213 per annum savings to the average residential customer compared to 2014.

ADDRESSING PIA 2.4

### Virtual Power Plant: working to reduce bills

Customers participating in [Ausgrid's Virtual Power Plant](#) (VPP) can reduce energy bills by allowing Ausgrid to use energy from their batteries at certain times. The VPP is an innovative demand management trial which explores how the grid can integrate with customer battery systems to maximise the value of assets by sharing them.

Ausgrid's partnership with [Reposit Power](#) marked the first stage of the program with 233 customers combined to form a 1 megawatt virtual power plant. In phase 1 of the project, a range of network support event trials were conducted with customers participating in an average of seven support events in Summer and Winter 2019.

In phase 2, participating customers are projected to receive about \$70 per year in network support payments as part of the research program. Lessons learned will be communicated via Ausgrid's [demand management e-newsletters](#) with interim and final reports published on Ausgrid's demand management [research and trials webpage](#). The phase 2 expansion of the VPP is underway with the VPP set to increase in size to over 10 megawatts by 2020/21.





## Principle 3: We will provide energy safely, sustainably and reliably

In this section, we aim to show the programs we have in place to deliver energy safely, sustainably and reliably. Ausgrid is working to continually improve our health and safety focus through several programs. Safety is our top priority and we have more work to do to improve our safety record. The following areas have been identified for improvement.

### Areas to improve:

- PIA 3.1 - Safety** – The two tragic fatalities on our network over the past 12 months (one member of the public and an Ausgrid worker) show that we still have work to do to improve the safety of our staff and the public. We continue to take steps to improve our safety culture and explore how we can always improve. One operational response to the death of a staff member in April 2019, was the implementation of a pause on work undertaken live on the network. Work will only proceed after we have completed a review of all live work tasks and put measures in place to ensure tasks will be completed safely.
- PIA 3.1 - Communicating with stakeholders on safety measures** – We recognise that we could have better communicated the pause on live work and its implications, to our stakeholders. There have been impacts to accredited service providers, major stakeholders and customers from this action, and we could have been quicker in advising customers why we put the Pause in place. We are working to improve our communication in this area.
- PIA 3.1 - Assessing effectiveness of Public Safety communications** – The effectiveness of community safety programs has been reviewed and improvements identified. Ausgrid is working to develop a framework to measure PESAP campaign effectiveness. It is expected the framework will be trialled this financial year for bushfire and storm safety programs.
- PIA 3.1 - Development of Public Safety Risk Management Framework** – A review of Ausgrid’s management of public safety and public safety management processes, has resulted in the identification of six projects and process changes that will strengthen Ausgrid’s public safety risk profile. This work will be the basis for the development of a risk management framework specific to public safety and aims to address the public safety metrics shown.

Measures to track Health & Safety, reliability and sustainability outcomes	Results for Quarter 4 FY2019
<b>Health &amp; Safety</b>	
Total Recordable Injuries	40% improvement
Lost Time Injury Frequency Rate	11% decrease
Near-miss reporting	109% increase FY19
SafeWork	Compliant
IPART reporting	Compliant
<b>Public Safety</b>	
- Third Party Motor Vehicle Poll Collisions	45 (37 -July 2018)
- Pillar/Kiosk Collisions	14 (14 -July 2018)
- Third Party Contact with Overhead Assets	32 (38 -July 2018)
- Underground Assets	7 (11 -July 2018)
- Unassisted Pole Failures	10 (0 -July 2018)
- Overhead conductor failures	23 (22 -July 2018)
Domestic Shocks	6 (3 -July 2018)
<b>Reliability</b>	
System Average Interruption Duration Index (SAIDI) results	74.69 - 7% decrease on FY18
System Average Interruption Frequency Index (SAIFI) result - Best performance ever recorded	0.676 - 5% improvement on FY18.
<b>Sustainability</b>	
Annual Sustainability Report	Report released annually
Emissions Reduction Target	8% each year to 2024, 17% by 2030

### 3.1 Maintain the highest standards of safety for their people, the community and the environment.

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
<p>3.1.1 Investing in improving safety research, programs, monitoring and reporting.</p>	<ul style="list-style-type: none"> <li>Delivering better safety programs for our customers and the community.</li> <li>Being transparent about incidents that happen on our network through reporting to regulatory agencies.</li> </ul>	<ul style="list-style-type: none"> <li>Conducting Public Electrical Safety and Awareness Program (PESAP) and safety campaigns. Storm safety and dangers posed by fallen powerlines during storms was the focus for 2019. We released a TV commercial raising awareness about the dangers of fallen powerlines. This has been used by Essential Energy and Endeavour Energy. To improve the provision of safety information to culturally and linguistically diverse communities, we translated powerline safety materials (print and radio) to Arabic, Cantonese, Mandarin, Vietnamese, Korean, Hindi, and Italian.</li> <li>Electricity Safety Week is a program delivered each year to 92% of schools in our distribution area. 93% of teachers believed the program improved student's safety around electricity. Ausgrid staff deliver presentations to their local schools.</li> <li>A review is underway to test effectiveness of public safety campaigns beyond reach. The outcomes will be included in Ausgrid's next Energy Charter Report.</li> <li>Energy Network Safety Management System process. <b>See Case Study PIA 3.1 (p.20).</b></li> <li>Ausgrid complies with SafeWork NSW and IPART reporting requirements.</li> <li>Ausgrid works with regulators to improve approaches and customer outcomes. We are a participant in the group writing and reviewing Australian Standards, we are on the board of Dial Before You Dig (DBYD) to advocate for improvements in service delivery, and participate in SafeWork and IPART committees related to improving electrical safety.</li> </ul>
<p>3.1.2 Health and Safety programs and procedures are in place to deliver process improvements, adopt new technologies and build people's capabilities.</p>	<ul style="list-style-type: none"> <li>A fit, capable and safety-aware workforce ensures that Ausgrid is maintaining a safe, efficient, reliable and sustainable network.</li> </ul>	<ul style="list-style-type: none"> <li>The Safety Reset program includes 14 initiatives developed with staff. Some deliverables under this program are the roll out of incident reporting, hazard assessment conversation and safety interactions apps, accessible via phones and iPads to field.</li> <li>Ausgrid rolled out improved safety equipment and 796 defibrillators across all our vehicles and sites.</li> <li>All field staff are trained in First Aid. Staff complete a CPR refresher course yearly. This gives Ausgrid workers the skills to apply first aid when required.</li> <li>Implementation of a Managing our Contractors initiative focused on improving external partner (contractor) safety. A key improvement was establishment of a pre-qualification system to allow skills, qualifications and management systems to be verified. To date around 90% of our high-risk contractors are registered in the system, we are expanding registration to all contractors.</li> <li>BeSafe 15 initiative involved a complete re-write of the contractor safety management procedure to give clarity on site roles and responsibilities to contract managers and supervisors.</li> <li>Delivered staff resilience program, to provide additional tools for people to better understand and manage their own mental health and wellbeing, and to look out for others. 3200 employees have attended the first phase. We established the fitness for duty framework, which includes Ausgrid's Move4Life program around manual handling principles to reduce injuries. To date we have trained 1200 fieldworkers and 75 Move4Life champions.</li> <li><b>Measure:</b> We achieved a 40% improvement in our Total Recordable Injuries and an 11% decrease in our Lost Time Injury Frequency Rate - less people are being hurt. Ausgrid has also increased our near-miss reporting, helping to reduce incidents.</li> </ul>

### 3.2 Engage with customers and the community on investments, and manage operations in line with their expectations, demonstrating how communities benefit.

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
<p>3.2.1 Continued stakeholder engagement to deliver projects and manage operations more in line with expectations and with increased benefit for individuals and the community.</p>	<ul style="list-style-type: none"> <li>Input from community involvement informs changes in project scope and may benefit customers through reconsidered expenditure, minimised risks and enhanced benefits.</li> </ul>	<p>Close cost/benefit/risk reviews with customers and stakeholders has resulted in the amendment of project scope allowing Ausgrid to defer costs for customers. These include:</p> <ul style="list-style-type: none"> <li>Staging of work to retire the Darlinghurst Zone. This allowed the completion of higher priority components only in the short term rather than carrying out all proposed works.</li> <li>Joint planning and development to replace and relocate assets:               <ul style="list-style-type: none"> <li>Sydney Airport area (RMS &amp; Sydney Airport Corporation).</li> <li>Supplying the Auburn/Lidcombe area from Endeavour Energy's Camellia substation rather than constructing assets from other Ausgrid substations.</li> </ul> </li> <li>Costs for Rozelle and Macquarie Park subtransmission substations have been reduced by additional consideration of load applications from concurrent major loads such as data centres, road tunnels and new rail lines. The ability to increase the supply from shared assets has resulted in improved utilisation benefits.</li> <li>Demand management investigations to defer Mascot Zone replacement and Gillieston Heights network constraint.</li> </ul>

### 3.3 Develop business strategy and manage operations to respond to the shift to a cleaner energy system that is already underway.

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
<p>3.3.1 Developing strategies and projects that respond to the shift towards cleaner energy.</p>	<ul style="list-style-type: none"> <li>Providing customers with the choice for cleaner and more efficient energy options that are better for the environment and more cost-effective in the long run.</li> </ul>	<ul style="list-style-type: none"> <li>The Network Innovation Advisory Committee (NIAC) has been formed to oversee our \$42m network innovation program. NIAC are currently working on FY20 projects.</li> <li><b>See Section 1.5, Actions 1.5.1 (p.7) and 1.5.2 (p.8).</b></li> <li><b>See Case Study PIA 1.5 Collaborative solution development: Power2U demand management program (p.9).</b></li> </ul>

### 3.4 Work with government, other energy businesses, the community and industry bodies to develop a planned transition to a cleaner energy system.

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
<p>3.4.1 Collaborating with different stakeholders to develop a planned transition to a cleaner energy system.</p>	<ul style="list-style-type: none"> <li>Better alignment with stakeholders in the development of the path towards distribution of cleaner and more efficient energy.</li> </ul>	<ul style="list-style-type: none"> <li>Collaborating with Energy Networks Australia (ENA), the Australian Energy Market Operator (AEMO) and other sector participants to understand the operator functions which may be needed in a future with significantly more renewable Distributed Energy Resources (DER) integrated within the distribution system. This includes participation in the development of standard DER Connection Guidelines. <b>See Case Study PIA 3.6 (p.20).</b></li> <li>Ausgrid has formally put our support behind the Reliable Affordable Clean Energy for 2030 Cooperative Research Centre (RACE for 2030 CRC).</li> <li>We are engaging with AEMO, DNSPs, NSW Government, Clean Energy Council and other stakeholders to support the implementation of the national electricity market wide DER register. This will help to ensure compliance and enable greater insight into how we can maximise the hosting capacity of our network, to improve DER management for customers.</li> </ul>

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
		<ul style="list-style-type: none"> <li>Ausgrid is a member of the Clean Energy Council. This allows us to engage more closely with the industry body for the majority of small to medium scale renewable energy systems and better deliver projects for customers.</li> </ul>

**3.5 Facilitate new services and technologies that support sustainable energy solutions that meet the changing needs of the market.**

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
3.5.1 Investing in new technologies to support sustainable solutions.	<ul style="list-style-type: none"> <li>Innovative services and technologies open up more options for customers in the future to take control of their energy consumption and expenditure. New systems being trialled will also lead to lowering costs for customers, improved reliability, and increased ability to host and manage distributed energy resources and other new technology such as electric vehicles on the network.</li> </ul>	<ul style="list-style-type: none"> <li>Ausgrid is investing in a new Advanced Distribution Management System (ADMS) to replace outdated legacy equipment, improve core capabilities to operate the network, respond to customer supply issues and integrate new technology.</li> <li>Ausgrid's Network Innovation Program consists of 11 projects focused on progressive expansion of new grid technologies that improve customer outcomes.</li> <li>We are working on a feasibility project with customer advocates to develop a community battery solution. This aims to provide storage for customers with solar generation who may not be able to fit or afford storage at their premises. This will give customers access to the economy of scale price benefits achieved through a more aggregated solution, combined with the network benefits of having storage located near the renewable energy source.</li> </ul>

**3.6 Implement Solutions across the supply chain: a) that support energy connection, service and reliability that meets customers' needs, and b) to resolve service issues that impact customers and the community.**

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
3.6.1 Improved connections policy and access to connections information.	<ul style="list-style-type: none"> <li>Improved affordability streamlined processes and increased efficiency.</li> <li>Building stronger relations with customers and attaining a better understanding of needs and issues results in higher quality services.</li> </ul>	<ul style="list-style-type: none"> <li>We have developed a new <a href="#">Connections</a> page on our website, where customers can find advice and forms in one place. This will improve the customer experience. The portal also allows customers to track the status of their contestable connection project. This is one of our measures to address customers' calls for seamless interactions with Ausgrid.</li> <li>Major customers now have direct access to dedicated customer liaison managers who can pro-actively resolve customer problems.</li> </ul>
3.6.2 Establishment of an External Partner Management and External Partner Code of Conduct.	<ul style="list-style-type: none"> <li>Driving down supplier costs through more collaborative scope setting.</li> </ul>	<ul style="list-style-type: none"> <li>We are working to drive down our supplier costs by engaging in an External Partner Management program to work more collaboratively with our suppliers. For example, Ausgrid has a competitive dialogue process where suppliers and market leaders inform project scope to ensure that it is fit for purpose, removing unnecessary cost while adding value.</li> <li>To support our new Sustainable Procurement policy and ensure our external partners reflect Ausgrid values, we have created an External Partner Code of Conduct. This clearly sets out Ausgrid's expectations of our external partners and their supply chains.</li> <li>In 2019, Ausgrid commenced a series of pulse check surveys with key stakeholder groups (Councils, retailers, ASPs and major customers) to understand how groups are feeling about our services. Actions to address findings will be included in our next Energy Charter report.</li> </ul>

## Future Actions

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
<p><b>PIA 3.1</b> - Resumption of some live work tasks.</p>	<ul style="list-style-type: none"> <li>• A safer network for workers and the public.</li> <li>• Fewer and shorter planned outages than during the pause.</li> <li>• Improved experience for ASPs.</li> <li>• Greater certainty of connection timing for developers.</li> </ul>	<p>Ausgrid initiated a pause on all live work conducted on the network, following the death of a line worker came into contact with live lines whilst undertaking a pole changeover on 2 April 2019. The pause will be in place as a precaution until the incident has been thoroughly understood and each live work task has been reviewed and risk assessed. This is to ensure that all live tasks have the appropriate safety controls. We will also ensure that re-training, a verification of competency program and an assurance program is in place before work resumes.</p> <p>Ausgrid has developed a four-step pathway to the resumption of live works. Priority will be given to the resumption of ASP Stage 1 works, which include: connection/disconnection of service connectors; connection/disconnection of bolted conductor connections; the application of temporary insulation to exposed conductors; and the maintenance and replacement of streetlighting assets. We have also introduced a number of measures in planning and resourcing to more effectively process works impacted by the pause.</p>
<p><b>PIA 3.6</b> -Developing policy to address requirements of Modern Slavery provisions.</p>	<ul style="list-style-type: none"> <li>• Take steps to ensure that Ausgrid is not supporting the use of forced labour.</li> </ul>	<p>Ausgrid is developing our response to the Modern Slavery Act 2018 which came into effect 1 January 2019. We will work closely with our suppliers to address modern slavery risks and work with other industry participants to share learnings and information to achieve a better outcome and reduce compliance costs. Compliance with the Act is due in December 2020. Actions taken to comply with this act will be reported in future Sustainability Reports.</p>



## CASE STUDY

### ADDRESSING PIA 3.1

## Electricity Network Safety Management System: putting safety first

To appropriately and safely manage our electricity network, Ausgrid has implemented an Electricity Network Safety Management System (ENSMS). The ENSMS is made up of inter-related strategies, policies, procedures, Formal Safety Assessments (FSAs), plans and standards which govern the activities of Ausgrid in accordance with the Electricity Supply (Safety and Network Management) Regulation 2014 (Regulation) and Australian Standard AS5577.

One of the fundamental principles of AS5577 is to consult with all relevant stakeholders in the preparation and implementation of the ENSMS. Ausgrid finalised our stakeholder engagement plan in June 2019 and we are planning to conduct consultations over the coming six months. The primary objectives of the stakeholder engagement plan are to: a) understand stakeholder views and concerns through proactive engagement and b) consider stakeholder feedback in refinement of the ENSMS. The stakeholder engagement activities will include targeted awareness raising on electricity network hazards and the safety controls in place.

### ADDRESSING PIA 3.3

## Emissions reduction commitment

Our customers told us that they want us to play a bigger role in the transition to sustainable, cleaner energy sources and we are responding. Ausgrid will commit to cutting its carbon emissions by 8% in the next five years, increasing to 17% by 2030. Ausgrid's carbon footprint is 1 million tonnes of CO<sub>2</sub>-e per annum.

The company's carbon emissions targets are expected to remove 83,700 tonnes of CO<sub>2</sub>-e by mid-2024. This equates to taking approximately 17,100 cars off the road. Additionally, the accelerated LED streetlighting program (with 18 Councils) will deliver a reduction of 19,200 tonnes of CO<sub>2</sub>-e each year.

### ADDRESSING PIA 3.6

## Developing National Connection Guidelines: accommodating the growing number of customer resources

Developing National Connection Guidelines to standardise the connection of DER is a critical step to better integrate the growing numbers of customer resources into the grid. The guidelines will establish a nationally consistent set of requirements for safe, consistent and efficient connection of solar, storage and battery devices to the grid. Energy Networks Australia (ENA) has facilitated a working group comprised of all Australian DNSPs and other key stakeholders to prepare guidelines. This group also provides a forum for DNSPs to share issues, research and solutions to support the connection and operation of DER on our network.

The Basic/ Low Voltage guideline was published in March 2019, and the Medium Voltage/ High Voltage guideline is anticipated to be released in the next few months. After they are adopted, the guidelines will be reviewed and updated over the coming years with the aim of achieving further improvements for customers.

Benefits are anticipated to include consistency and transparency in requirements; standardisation of settings and possibly streamlining the installation process and better adoption of settings leading to improved operation of installations. Ausgrid and other NSW DNSPs are also participating in workshops with NSW Government to support the implementation of guidelines.



## Principle 4: We will improve the customer experience

In this section, Ausgrid aims to show our commitment to improving the customer experience. This is a long-term driver for how we do business and not just a short-term focus. At Ausgrid we are shifting our entire business to think about how we can ensure the customer experience is seamless. We continue to adapt our tools and platforms and are testing them with customers to respond to their needs, improve their experiences and better manage our relationships with them. We know we do not have a good baseline of customer needs at a granular service level or clear criteria to assess, measure and report on the customer benefits or impacts from our decisions. For example, we need to better understand our worst serviced customers, why their experience is poor and develop specific actions and responsibilities to directly address the problems.

### Areas to improve:

- **PIA 4.2 - Measuring effectiveness of website tools** – We will undertake assessments of how long it takes for customers to use website tools. For example, time taken to register for outage notifications and time taken filling in forms, along with recording the number of completed forms. Information will be used to improve tools and processes.
- **PIA 4.3 - Vegetation management** – NPS vegetation management results show that customers would like to better understand our tree trimming process, know the qualifications of our services providers and they would like more notification on when we are trimming trees. We are addressing these concerns through the introduction of a Council Portal on our website. Additionally, we propose to better leverage the CRM to electronically communicate trimming information, times and practices to our customers.
- **PIA 4.4 - CRM improvements** – Ausgrid’s CRM will be continuously improved to identify and resolve the key areas where we are not delivering for customers, such as the claims management process and outage notification registration process. In addition, the CRM will be used to create a customer community for feedback – a cost-effective option for ongoing customer contact.

- **PIA 4.4 - Complaints handling** – We currently measure volumes of complaints and the time we take to respond to them. To improve complaints management, we need to identify the types of claims into categories and develop programs to improve responses and address systemic issues. The development of a central complaints model through the CRM will help us to better capture the reasons for complaints and help us to address issues.

Measures to track customer performance	Results for Quarter 4 FY2019
Price reductions	See Case Study PIA (p.xx).
Customers: Overall Customer NPS	-13 (down from +5 in March)
Vegetation NPS	-24 (up from -36 in March)
Street lighting NPS	-27 (down from -17 in March)
Customer Contact Centre NPS	-6 (down from -2 in March)
Website	-18 (down from +8 in March)
Contact Centre Grade of Service – STIPIS	83.9% (down by 84%)
Claims	526 (down 55% in Q3)
EWON matters	41 (down 45% on Q3)
Volume of complaints	1,345 (down 19% on Q3)
Average time to resolve claims	8.05 days (increase from 5.97 in June)
Streetlighting – Public Lighting Code of Conduct	Complies
Street lighting average days to repair – general faults	Better than target
B2B Pulse Check – Accredited Service Provider NPS	-39 (FY19)
B2B Pulse Check – Council NPS	-46 (FY19)
Annual Global Review Website Usability test to measure effectiveness of website improvements.	Areas needing improving have been addressed

**4.1 Enable customers to get fair outcomes regardless of their ability or desire to participate in the energy market.**

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
<p>4.1.1 Broad membership of the Ausgrid Customer Consultative Committee, including advocacy bodies who represent the voices of disadvantaged customers.</p>	<ul style="list-style-type: none"> <li>Voices of customers who might have limited interest in energy or ability to participate will be considered through the contributions of customer advocates in our customer consultation forums.</li> </ul>	<ul style="list-style-type: none"> <li>Price reductions delivered in the Revised Regulatory Proposal. <b>See Case Study PIA 2:1 (p.14).</b></li> <li>Clear approach to pricing that doesn't discriminate against low-income or CALD customer groups.</li> <li>Contributed to consultation to identify potential privacy issues that could arise with the way the consumer data right is currently being considered. We did this while supporting the empowerment of customers by giving their nominated parties the ability to access their energy data and provide offerings that reduce their energy costs.</li> </ul>

**4.2 Empower customers by: a) making sure all communication is clear, in plain terms, accessible and understandable, b) providing insightful and useful information and accessible tools, and c) streamlining access to, and portability of, customer energy data.**

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
<p>4.2.1 Customers expect seamless interaction with us and we are taking actions to ensure clearer and more accessible online communication.</p>	<ul style="list-style-type: none"> <li>Access to useful information empowers customers to make informed decisions.</li> </ul>	<ul style="list-style-type: none"> <li>Streamlining of digital reporting tools for customers. For example, the "Report a Problem" page and making our website fully mobile accessible, are steps taken to make information and communications simpler, clearer, as well as insightful and informative for customers.</li> <li>Simplified website and navigation to improve website ease of access in response to user experience testing performed by a third-party research partner.</li> <li><b>Measure:</b> Monitoring and testing use of customer portal and Global Review Website Usability testing.</li> </ul>
<p>4.2.2 Review of customer contact points and customer service letters, templates and processes.</p>	<ul style="list-style-type: none"> <li>Improve consistency and quality of service experienced by customers.</li> </ul>	<ul style="list-style-type: none"> <li>To improve the experience of customers who contact Ausgrid via channels outside of our contact centre. We reviewed all 89 contact points (phone numbers or email addresses) and benchmarked our current contact point reporting to improve experience. This will guide efforts to centralise contact points and reduce inconsistencies in service delivery for customers.</li> <li>We have also reviewed the template documents used for standard communications to customers (for example, bushfire safety notices, planned outage notifications and meter safety notices). The review will improve customer communications.</li> <li>Bushfire safety: each year Ausgrid issues notices to customers living near network assets in bushfire prone areas. These notices inform our customers to trim vegetation that represents a fire risk to the network. A defect notice is issued to customers that do not comply. We are currently reviewing our process of notification and enforcement to substantially improve the way we communicate with customers. We hope to see an enhanced customer experience through improved NPS results.</li> </ul>
<p>4.2.3 Improving accessibility of information for CALD communities.</p>	<ul style="list-style-type: none"> <li>More accessible information for customers.</li> </ul>	<ul style="list-style-type: none"> <li>Provide translated storm safety information for customers whose first language is not English on website and on community radio stations. We are working to expand the number of translated materials available.</li> </ul>



**4.3 Ensure that innovation and design in products and services, as well as communication platforms and tools, are driven by customers' needs and preferences.**

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
4.3.1 Completion of website usability customer research.	<ul style="list-style-type: none"> <li>Improved engagement with on-line information and digital services.</li> </ul>	After a site upgrade in 2019, we conducted observational customer research of the Ausgrid website, measuring site usability. This resulted in identifying a number of user experience improvements across the site power outage map, navigation and language consistency. The findings of the Customer Research were corroborated by an independent Global Review Survey.
4.3.2 SMS outage notifications.	<ul style="list-style-type: none"> <li>More effective communications with customers.</li> </ul>	Customers have been invited to register their preferred contact channel via the customer portal. This will improve our communications with customers during an outage, planned or unplanned. Ausgrid can contact customers via SMS when an unplanned outage occurs. To date 1500 SMS outage notifications have been issued to customers who have signed up.
4.3.3 Improve service delivery to Councils.	<ul style="list-style-type: none"> <li>Improving delivery of services to Councils also improves customers experience.</li> </ul>	The Council NPS results revealed that 80% of Councils were dissatisfied with vegetation management, 34% were dissatisfied with the time our processes take and 56% are looking for improved communications and contact with Councils. To address these concerns, Ausgrid is developing an Engagement Model Framework to determine engagement frequency and type. Councils have a dedicated stream within our CRM in order to track enquiries/complaints, assign tasks and follow up, providing higher quality engagement. A dedicated Council webpage has been created which allows access to information relevant to them. A dedicated Council email address has been created to allow a single point of contact and improved coordination of responses.

**4.4 Have effective and accessible dispute resolution processes, co-ordinated across the supply chain, to resolve customer issues and implement process improvements in response.**

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
4.4.1. Improving communications with customers through a new CRM system.	<ul style="list-style-type: none"> <li>Enhancing customer experience through communicating via their preferred channel.</li> <li>Improved responses for claims and complaints.</li> </ul>	<b>See Case Study PIA 4.3 Knowing our customers and improving complaints handling: new CRM system (p.25).</b>
4.4.1 Voltage Outage Variant Claims collaboration with DNSPs.	<ul style="list-style-type: none"> <li>More consistent management of voltage claims.</li> </ul>	<b>See Case Study PIA 4.4 Guiding principles: managing voltage variation claims (p.25).</b>
4.4.2 Implementation of case management approach to claims and complaints.	<ul style="list-style-type: none"> <li>Faster and more transparent customer resolution of matters and greater customer satisfaction in the resolution of issues.</li> </ul>	<ul style="list-style-type: none"> <li>Tracking of timeframes and effectiveness of resolution for all claims and complaints. With a new internal escalation pathway and review for improvement measures to be identified.</li> <li>Tracking number of cases re-opened. The customer complaints system sends automated updates to customers when a complaint is closed by the business. These include an option to re-open or escalate complaints to ensure customers are included in the solution.</li> </ul>

## Future Actions

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
<p><b>PIA 4.2</b> - Continuous website improvements.</p>	<ul style="list-style-type: none"> <li>Making it easier for customers to find the information they need.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing changes to our website will be made to refine user experience, such as the simplification of outage maps, reporting tools and the personalisation of services based on information provided by customers.</li> <li><b>Measure:</b> Improved content and usability will be measured through responses to Global Review Website Usability Benchmark 2019/20 and customer usability research for our digital initiatives.</li> </ul>
<p><b>PIA 4.2</b> - Improve response times to streetlight outages.</p>	<ul style="list-style-type: none"> <li>Addressing customer calls for improved streetlighting services.</li> </ul>	<ul style="list-style-type: none"> <li>Development of a program to better identify broken lights in high impact areas. For example, we are looking to implement an additional report to identify specific points of concern such car parks, laneways and zebra crossings.</li> <li><b>Measure:</b> Street lighting NPS and street lighting average days to repair.</li> </ul>
<p><b>PIA 4.2</b> - Vegetation Management.</p>	<ul style="list-style-type: none"> <li>Delivering on feedback from customers to improve services.</li> </ul>	<ul style="list-style-type: none"> <li>NPS research on vegetation management shows our customers do not have enough information on processes we apply, the qualifications of our services providers are not clear, and they would like more notification on when we are trimming trees. Ausgrid is addressing these concerns through the introduction of a Council portal on our website.</li> <li>Additionally, we propose to better leverage our CRM to electronically communicate trimming information times and practices for customers.</li> <li><b>Measure:</b> Customer NPS results</li> </ul>
<p><b>PIA 4.3</b> - Creation of a Customer Community Reference Group for feedback on programs and services.</p>	<ul style="list-style-type: none"> <li>Make it easier for Ausgrid to seek customer input and lowering our cost of acquiring feedback from customers.</li> </ul>	<ul style="list-style-type: none"> <li>Projects will be shared with the Customer Community Reference Group to provide input on improved service design.</li> </ul>
<p><b>PIA 4.3</b> - Increasing the use of mass notification platforms to customers, such as SMS notifications.</p>	<ul style="list-style-type: none"> <li>Delivering communications to customers on the channel of their choice.</li> </ul>	<ul style="list-style-type: none"> <li>We propose expanding the number of interactions and automatic updates from the Customer portal, using each customer's preferred contact channel.</li> </ul>



## C A S E S T U D Y

### A D D R E S S I N G P I A 4 . 3

## Quality Improvement Program: making changes to respond to customer feedback

Our customer teams measure customer satisfaction and analyse results each quarter. These are used to develop our Quality Improvement Initiatives, which are tracked to ensure we deliver tangible improvements in customer experience against objectives and then report outcomes to customers.

#### Examples of programs include:

- **Digital Customer Experience** –improving our website by providing a consistent look and feel, increased searchability, a new customer focused range of forms and a brand-new user experience journey for reporting outages. Changes were tested with customers and adjustments made.
- **Vegetation Management** – After implementing changes to our vegetation management practices, the next goal is to create new communication principles and materials to improve implementation of changes. Once completed, a full roll out of these new communications and new site clean-up procedures is planned. Improvements targeted were based on responses insights from our NPS customer surveys.
- **Customer Connections** – Our goal is to use the new CRM for complaint handling and improving connection processes for customer connections. In addition, there will be KPIs and the development of an ASP engagement strategy to improve communications and customer outcomes for works involving ASPs. Improvements targeted were based on response insights from our NPS customer survey results.

### A D D R E S S I N G P I A 4 . 3

## Knowing our customers and improving complaints handling: new CRM system

We have implemented a new Customer Relationship Management (CRM) system and continue to improve the customer experience when they engage with us. Our new CRM system uses a person/ company name as the unique identifier. National Metering Identifiers (NMI) have in the past made it more difficult to understand behaviours as some customers may have more than one NMI within the Ausgrid network.

The ability to track a customer relationship over its lifetime will contribute to better service and improved customer experience. Some of our major continuous improvement goals is to document and facilitate an end-to-end process for complaints handling across of Ausgrid, increase customer journey user experience for the website and improve the staff experience with the CRM.

### A D D R E S S I N G P I A 4 . 4

## Guiding principles: managing voltage variation claims

Ausgrid has collaborated with EWON, Endeavour and Essential to develop a set of guiding principles to develop an approach to consistently manage voltage variation claims. Voltage variation claims are generally complex and have traditionally been dealt with on a case-by-case basis. This resulted in inconsistent outcomes for customers, whether a claim is approved or denied, as well as inconsistent response timeframes. The guiding principles will enable consistent and equitable outcomes, hence an improved customer experience for all electrical customers in NSW who make a voltage variation claim. The draft guiding principles have been developed and the next step is to seek feedback from customer advocates with EWON advising next steps.



## Principle 5: We will support customers facing vulnerable circumstances

This section aims to identify Ausgrid's commitment to supporting our customers when vulnerable or most in need. As a business our aim is to recognise the importance of Ausgrid's role in proactively monitoring and acting to support vulnerable customers. We agree that a one size fits all approach is not the solution and flexibility is the key to successfully supporting these customers. By identifying our weaknesses in the past, we are establishing collaborative and flexible processes and providing improved training and support to our staff.

### Areas to improve:

- **PIA 5.1 - Vulnerable customer strategy** – In order to improve our approach to vulnerable customers, we are reviewing local and international strategies to incorporate successful features and benchmarks in our vulnerable customer strategy. Changes will be consulted with our Customer Consultative Committee.
- **PIA 5.2 - Better understand life support customers device choices** – We will undertake a new piece of research to better understand trends in choice and use of health devices. This will help us to provide better information on the possible impacts of outages and what actions customers can take to prepare for a planned outage. For example, different devices have different battery lives and customers could need to take different actions for longer outages.

Measures to support vulnerable customers	Results for Quarter 4 FY2019
Controllable NECF Type 1 Life support breaches	1 in FY 2019
Number of customers accessing Customer Assistance Program	38

### 5.1 Have processes to enable early identification of and engagement with customers at risk of vulnerability, coupled with intervention measures that can prevent customers falling into hardship

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
5.1.1 Implement Customer Assistance Program to support vulnerable customers who experience financial impacts from the Bushfire and Safety program.	<ul style="list-style-type: none"> <li>Support for vulnerable customers who are required to pay for vegetation management to mitigate bushfire risks.</li> </ul>	Each year Ausgrid undertakes a bushfire risk assessment. This shows vegetation that poses a bushfire risk to network infrastructure. If the vegetation is on private property, property owners receive a bushfire defect notice and are asked to trim vegetation to reduce risk. If the owner cannot or does not clear the vegetation, Ausgrid must do this and the property owner is charged. In the past year, 55 customers who received a Bushfire related defect notice were assessed as being in hardship and received extensions of time to pay, payment plans and one-off financial assistance payments or waivers.

### 5.2 Provide products and services that are tailored to customers facing vulnerable circumstances and support them to get back on track.

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
5.2.1 We take pro-active measures to ensure that we support customers with life support equipment.	<ul style="list-style-type: none"> <li>Effective support for customers who rely on electricity for medical life support equipment.</li> </ul>	<ul style="list-style-type: none"> <li>Ausgrid contacts customers who require life support equipment to ensure they have a life support action plan in place as a back-up in the event of an unplanned outage.</li> <li>We pro-actively message our life support customers in the event of an unplanned outage, advising the approximate length of the outage and when power has been restored to the area.</li> <li>Established internal life support working group to improve engagement with vulnerable customers from changes in our operations.</li> </ul>

### 5.3 Provide flexible solutions that are easy to access and are provided by specially trained frontline staff who can support those customers who face additional barriers to engaging with the energy market.

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
5.3.1 Vulnerable customer exemption training.	<ul style="list-style-type: none"> <li>Ausgrid staff are properly trained to apply the vulnerable customer exemptions and are able to support these customers.</li> </ul>	The training and information available covers the approach, protocol, technical guideline and associated eLearning/training, tool box and fact sheet materials for field and other staff.
5.3.2 Training to assist staff on the new 'rectification of simple customer fault' policy.	<ul style="list-style-type: none"> <li>Staff are able to properly apply this new procedure that will allow for Ausgrid staff to fix faults within 30min.</li> </ul>	<b>See Case Study PIA 5.4 Revised Regulatory Proposal: advocating for better outcomes for vulnerable customers (p.28).</b>

### 5.4 Take a collaborative approach, partnering across the energy supply chain, and with government and community service organisations to implement innovative solutions that improve outcomes (affordability or experience) for customers facing vulnerable circumstances.

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
5.4.1 Approval of a new service classification.	<ul style="list-style-type: none"> <li>Customers, particularly the sick or elderly, will receive a significantly improved customer experience.</li> </ul>	<b>See Case Study PIA 5:4 (p.28).</b>

## Future Actions

Ausgrid Actions	Customer benefit	Programs, Measures and Metrics
<b>PIA 5.2</b> - Research to better understand life support customers device choices.	<ul style="list-style-type: none"> <li>Better information for our life support customers.</li> </ul>	Complete research to better understand trends in choice and use of health devices. This will help us to provide better information on the possible impacts of outages and actions customers can take to prepare for a planned outage. For example, different devices have different battery lives and customers could need to take different actions for longer outages.



## C A S E S T U D Y

A D D R E S S I N G P I A 5 . 4

### Revised Regulatory Proposal: advocating for better outcomes for vulnerable customers

With the introduction of new ring-fencing arrangements in 2016, Ausgrid was prohibited from fixing simple customer faults 'behind the meter'. This was resulting in poor customer outcomes when Ausgrid staff were the first to respond to an outage. The limitation on fault restoration services would result in a lengthier outage and likely require a separate visit by an electrical contractor with additional costs incurred by the customer.

Ausgrid achieved a positive outcome for customers by successfully advocating for a new activity 'rectification of simple customer fault'. This new activity ensures that the health and safety of customers will not be placed at risk, particularly vulnerable customers such as those on life support. The new activity ensures that Ausgrid staff will be able to fix simple faults at customers' premises to restore supply, in cases where the work is discovered in the course of responding to an outage and is anticipated to take up to 30 minutes.

Customers calling Ausgrid with a 'no supply' issue can expect a 24/7 response and an efficient restoration of supply in the case of 'simple customer faults'.

## Conclusion

Ausgrid recognises that there are areas we need to improve, and that further work is required to become the business our customers and the communities we operate in expect and deserve.

We are committed to the Energy Charter because we believe membership will improve outcomes for customers through greater accountability and a more cohesive and engaged industry.

The actions outlined show how we intend to improve customer outcomes and deliver a safe, affordable, reliable and sustainable energy system. The disclosure report provides a platform and an opportunity to provide greater transparency for our plans. It is also a tool to hold us accountable for the transformation programs we have underway as a business.

Our actions are not exhaustive but represent significant and meaningful first steps in our ongoing transformation journey. We expect our transformation, occurring alongside other businesses in the Energy Charter, should lead to fundamental change in the experience of all customers.

