

The Energy Charter: 2020 Signatory Disclosure TransGrid

30 September 2020

Contents

Who we are	3
From our Chair Jerry Maycock	3
From our CEO Paul Italiano	3
Our customers and communities	4
End User Customers	4
Directly Connected Customers.....	4
Communities and Landowners.....	4
FY20 highlights	5
FY21 customer objectives	6
Our disclosure process	7
FY20 Maturity self-assessment overview.....	7
Principle 1. We will put customers at the centre of our business and the energy system	8
Principle 2. We will improve energy affordability for customers	9
Principle 3. We will provide energy safely, sustainably and reliably	10
Principle 4. We will improve the customer experience	11
Principle 5. We will support customers facing vulnerable circumstances	12

Have your say

We would like to hear your feedback on our Energy Charter disclosure, and about the service we provide.

If you have any feedback, questions or ideas about how we can improve future disclosures or our service to you, please don't hesitate to contact us.

Email us at: customers.stakeholders@transgrid.com.au

Call us on: 9284 3431

Website: www.transgrid.com.au

Who we are



From our Chair
Jerry Maycock

I am pleased to present our 2020 Energy Charter Disclosure.

The past 12 months has been devastating for most of the Australian community, with the summer bushfire crisis immediately followed by the global COVID-19 pandemic and the economic global crisis it has caused. For electricity customers, the energy sector and TransGrid, these have been challenging times.

Throughout the year, our focus has remained on ensuring the safety of our staff and the community in which we operate and on providing the continuity of supply of electricity to our customers. For businesses and households times remain tough and we were pleased to join other networks earlier this year as signatories to the COVID-19 relief package coordinated by Energy Networks Australia. This initiative has helped lower costs of energy bills for those who need it most.

Our Board supports TransGrid's continuing efforts to develop a more customer centric culture and its commitment to ensuring that customers continue to be the beneficiaries of the energy transition.



From our CEO
Paul Italiano

Our business has been pursuing a more customer-centric focus since we started our privatisation journey five years ago. While we have made improvements, we cannot rest on our laurels – this document gives an honest appraisal of what we can and must do better.

Our team has worked incredibly hard this year during the long and devastating bushfire emergency and ongoing public health crisis. I want to acknowledge the work our people have done for energy customers in NSW and the ACT – most of their work goes unnoticed but without them we would not be able to keep the lights on.

The transition of the electricity system continues to present many challenges for all involved and it's vitally important that customers remain central to the decisions being made. Our TransGrid Advisory Council continues to be an invaluable forum for our business to hear direct views from consumer and industry representatives about the key issues facing the energy system and TransGrid's own performance.

I am pleased with the progress TransGrid has made and look forward to raising the bar even higher in the next year.

TransGrid operates and manages the high-voltage electricity network within NSW and the ACT, connecting NSW to Queensland and Victoria. Our network consists of 110 bulk-supply substations and over 13,000 kilometres of high voltage transmission lines and underground cables and connects large electricity generators to the load-centres of NSW and the ACT, and through distribution networks, to more than three million homes and businesses providing safe, reliable and affordable electricity. Our network also provides the platform on which energy is traded within NSW and the ACT, and between adjoining states, providing energy consumers with access to the lowest cost generation available.

The National Electricity Market (NEM) is currently undergoing a period of transition as the generation mix changes to include more renewables and technology allowing greater participation from consumers in the energy market. We are guided by the principles of the Energy Charter and are working with our customers, energy consumers, the energy supply chain and decision making bodies to ensure that all customers see the benefits of this transition.

Our customers and communities

As a transmission network operator, our role in the supply chain is essential for the provision of safe, reliable and affordable energy within NSW, the ACT and across the entire NEM. Our 'energy highways' transport bulk-electricity efficiently between large generators, local distribution networks and directly connected large energy consuming businesses. Our customers and communities are diverse, with differing interests and priorities. We broadly consider our customers in three groups with varying approaches to engaging and working with them.

End User Customers

There are more than three million households and businesses in NSW and the ACT and we consider each one a customer. Our customers are diverse, living and working in regional, rural and metropolitan areas, and all rely on a safe, reliable and affordable supply of electricity. We plan and operate our network to meet this need for the present and future. We are acutely aware that we have a cost impact on end user bills making up approximately 4%¹ of the average end user electricity bill or 1.1 cents per kilowatt hour². As it is often difficult and impractical for us to engage directly with households, we work closely with representatives for end user customers (consumer advocates) as a central part of our external engagement to ensure that the current and future needs and views of end users inform all stages of our work. We believe working closely and collaboratively with consumer advocates improves our decision making, particularly as advocates represent diverse customer groups including Australians from culturally and linguistically diverse and lower socio-economic backgrounds. A key forum through which we engage with advocates is our TransGrid Advisory Council (TAC) - a quarterly forum where our CEO and executives meet directly with customer and consumer representatives. Through this forum we have better understood the needs and expectations of customers regarding the price of electricity, the transition to a system with more renewable generation, and the need to ensure that risk in the transition is appropriately allocated.

Directly Connected Customers

As a transmission network service provider we directly connect a wide range of customers into our transmission network. Our directly connected customers include large electricity generators including solar, wind, pumped-hydro, gas and coal generators, large energy users such as smelters and mines, neighbouring transmission networks through our interconnectors, and distribution networks. Our directly connected customers are generally medium to large businesses with whom we have a direct billing relationship. These customers are allocated individual customer managers who work directly with the customer to ensure their needs are understood, met and represented within our business. Our customers expect us to provide a service that represents value and is of the highest quality, and also to communicate openly with them regarding any network plans that may impact them. We work closely with our directly connected customers to deliver efficiencies including participating in joint planning, aligning maintenance outages, and undertaking hazard mitigation work to support the delivery of safe, reliable and affordable electricity for energy consumers.

Communities and Landowners

Our network stretches over 13,000 kilometres through NSW and almost 17,000 landowners across the state have our assets or easements on their property. We have enduring relationships with our landowners and communities given the long life of our assets. Our communities and landowners expect us to ensure the operation and maintenance of our assets is undertaken to the highest standard to ensure their safety, and in a manner that is of least impact to their lives. We take this responsibility seriously and have a dedicated property team who work directly with communities and landowners who have our assets on their land, or may be impacted by future works.

¹ AEMC price trends report 2019 and AER - TransGrid - Post-tax revenue model, 2019-20 Return on debt, April 2020

² AER - TransGrid - Post-tax revenue model, 2019-20 Return on debt, April 2020

As we progress the major projects identified within the Australian Energy Market Operator (AEMO) Integrated System Plan (ISP), we recognise this will impact on landowners and regional communities. The scale of projects identified by the ISP is unprecedented and their successful delivery will be built on strong and positive relationships with the communities and landowners around them. We are building our capacity to better understand and engage with landowners and communities who will be impacted by these projects and this will continue to grow over the coming years. We are committed to adapting our practices so we work sensitively and compassionately with landowners and communities as we deliver these important projects for the future energy system.

FY20 highlights

FY20 was a year that truly demonstrated the core value of the Energy Charter – that we are better together. Faced with fires, storms, and a pandemic, the energy industry and whole country banded together to support Australians in the face of unrivalled and unforeseen hardship. For TransGrid, the achievements from the past year that we are most proud of are those rooted in the work that we have undertaken to support customers alongside our industry colleagues. Some highlights from the past year are included below.

Response and operation throughout 2019/20 bushfire and storm season

FY20 was one of the worst bushfire seasons on record. During the most challenging conditions, our staff and contractors worked tirelessly with the NSW Rural Fire Service and other emergency services to ensure that we were able to maintain supply to the state, understanding that any loss of supply could have an impact on customers and efforts to support those in need. When assets were lost, our control room worked to re-route power to maintain service to the state, and our teams worked tirelessly to reinstate assets once it was safe to do so. We recognise that in emergencies, access to information is particularly important and so we streamlined public communication through a dedicated webpage and social media updates, providing information on the status of the network.

In January 2020, severe storms knocked down vital transmission lines in Victoria, effectively separating South Australia from the NEM. To restore supply as quickly as possible, we supported and worked with our counterparties in Victoria to repair the damage by providing new transmission conductors, temporary transmission poles and a line crew for the restoration works.

Supporting customers during COVID-19

As the country continues to grapple with the impacts of COVID-19, we are doing what we can to provide relief to customers and those facing economic hardship. We are participating in the Energy Networks Australia (ENA) COVID-19 network relief package, working with our supply chain colleagues to provide relief from network charges to residents and small businesses impacted by COVID-19. This involves permanently waiving transmission network charges for small business customers and residential customers of smaller retailers who experienced hardship during the COVID-19 lockdown. Deferred payment of charges was also provided to customers of larger retailers. Waived charges will not be recovered in future years, despite this being an avenue that is available to us through the regulatory process. While this has a financial impact on our business, we strongly believe we all need to do what we can so the nation emerges stronger from this difficult time.

Enabling the energy transition

We understand the efficient transition of the energy system is vital to a low cost energy future for all customers. In 2020 the Australian Energy Regulator (AER) approved our proposed upgrade to the Queensland-NSW Interconnector (QNI) which will improve affordability for customers in NSW and the ACT by providing access to lower-cost generation from Queensland. We have also progressed regulatory approval for the construction of Project EnergyConnect (a new interconnector to between SA with NSW) which will further improve affordability to customers in NSW, ACT and SA. We are working in partnership with the NSW Government to deliver the Central-West Orana Renewable Energy Zone (REZ). The

building of REZs will support the introduction of more renewable generation and continue to push electricity prices down for customers.

Aboriginal and Torres Strait Islander Engagement

We recognise we have an important role to play in improving the voice of Aboriginal and Torres Strait Islander people in the work we do. We have appointed an Indigenous Engagement Specialist to work with our major projects team and have developed our Aboriginal and Torres Strait Islander Engagement and Participation Strategy for Major Projects. On Project EnergyConnect, we are working directly with 28 Aboriginal Land Councils and local Aboriginal groups to ensure their views are heard and represented. Our reconciliation journey is Board sponsored and championed by our CEO, in collaboration with TransGrid's Executive team and RAP Advisory Committee. We have laid the groundwork for the second stage of our RAP journey, launching our Innovate RAP, which is the result of reflection on our first year.

Powering Sydney's Future Stakeholder Monitoring Committee (PSF SMC)

Our PSF SMC is now in its second year of operation and has provided a platform for our customers to engage directly with us on an important project that will impact many customers in Sydney. The PSF SMC has facilitated dialogue between our customers, executive and project team and provided a forum to share information, yielding learnings for both our business and the PSF SMC members. At the conclusion of the first year we were delighted that members felt the engagement forum provided value and agreed that it continue for another year.

FY21 customer objectives

To continue to improve the value we provide to our customers, we have set ourselves three key objectives for the coming year. Each of these objectives represents a stretch target and is articulated as the customer experience we wish to achieve.

1. Customers and stakeholders trust that the assessment of planned major capital works is transparent and customer-centric, and understand the processes to determine the scope, benefits and cost.

We understand the scale of the major projects supporting the transition of the energy system is unprecedented, and represents a challenge for our business and for customers. We are committed to presenting a customer-focused and transparent assessment of capital projects. We know our business has a responsibility to make the case for expenditure on major capital projects if we want customers to understand and accept the need for them. To pursue this objective we intend to seek more ways to involve customers and stakeholders in our decision-making processes and in the assessment of major projects. Progress on this outcome will be measured through project engagement and annual surveys.

2. Directly connected customers trust their needs are respected and reflected in our business practices, and they consider us a strong and consistent partner on projects.

We will pursue this objective through the work of our dedicated customer team and executive leadership team, with the continued development and improvement in the alignment of planning and communication processes with customers. Progress will be measured through project engagement and yearly surveys.

3. Landowners and impacted communities trust us to take their needs and concerns into account when planning works, and to minimise any disruption to their lives.

Having the trust of the communities we work in and of those who are impacted by our projects is more important than ever as we work to deliver key projects needed for the energy transition. We will pursue this objective by engaging in genuine consultation with communities and incorporating the feedback we receive in our planning processes. We will measure this outcome through yearly surveys with landowners, examination of the content of complaints that we receive, and feedback received through our direct engagement on projects like EnergyConnect and HumeLink.

Our disclosure process

In preparing our 2020 Energy Charter disclosure, we have brought together reflections on our business, feedback from our customers and stakeholders, learnings since the 2019 disclosure and recommendations made by the Independent Accountability Panel. We have sought and incorporated feedback from our TAC on our disclosure. Our report provides honest insights into our performance and our plans for the future. We understand that for our disclosure to be of value it must be accessible and following the recommendations of the Independent Accountability Panel, we have limited our disclosure to 10 pages. We have tried to include information that is of relevance and interest to our customers and stakeholders and welcome all feedback on our disclosure.

We also recognise the feedback of the Independent Accountability Panel that greater comparability of information reported between signatories would be of benefit to customers. In recognition of this feedback from the Independent Accountability Panel, we have been working with our Queensland transmission counterpart, Powerlink, to report on similar measures and metrics where possible.

FY20 Maturity self-assessment overview

As part of our Energy Charter process for 2020, we have undertaken a self-assessment of the maturity of our approach to the principles of the Energy Charter. This process has helped highlight areas where can continue to improve the value we are providing to our customers. Further detail on our self-assessed performance and objectives for improvement can be found in the following pages of our disclosure.

FY20 Maturity Self-Assessment					
	Elementary	Emerging	Evolved	Empowered	Exceeding
Principle 1 – We will put customers at the centre of our business and energy system		●			
Principle 2 – We will improve energy affordability for customers		●			
Principle 3 – We will provide energy safely, sustainably and reliably					
Safety			●	(maximum rating 'Evolved')	
Environment		●			
Shift to cleaner energy system			●		
Connection, service and reliability			●		
Principle 4 – We will improve the customer experience					
Fair customer outcomes		●			
Customer communication		●			
Complaints		●			
Principle 5 – We will support customers facing vulnerable circumstances		●			

Legend for the following pages:

* 2020 TransGrid Stakeholder Reputation Report

+ TransGrid FY20 Annual Review

∞ Information similarly reported on by Powerlink

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

We recognise that as the monopoly transmission service provider to NSW and the ACT, all customers rely on our services to meet their electricity needs with few other options available to them. We understand the decisions we make as a business will have an impact on all energy consumers and it is our responsibility to ensure we are operating in the long term interests of customers.

Maturity Assessment

We acknowledge we can improve our performance in accordance with themes one and five of the Independent Accountability Panel's report, those being 'know your customers and communities' and 'close the loop on initiatives'. To achieve this we will focus on our practices for engaging with landowners and customers on our major transmission projects, and on processes to ensure we are accountable back to those customers. A central element of this approach will be a continuation of direct involvement from our CEO and executive team in engagement forums with consumer representatives.

Engagement and Accountability

Feedback from our customers has reinforced to us how important direct lines of communication into our business are in helping to amplify the customer voice and making us accountable back to customers. Our CEO and executive team engage directly with customers and stakeholders to ensure they understand customer priorities and needs. We have a number of established processes to facilitate this engagement.

We are currently developing and implementing new processes for ongoing consultation for the assessment and delivery of our major transmission projects, informed by feedback from customers and stakeholder and our learnings from previous processes. The successful implementation of these projects is vital to the transition of the energy system and requires extensive and detailed assessment and consultation to ensure they provide the necessary benefit to energy consumers.

Customers expect us to be able to demonstrate that any proposed project is rigorously and transparently tested to ensure it will deliver value to customers. We want to be a leader in this field - our current approach has been informed by past consultative processes where we have not engaged as openly as needed. Our objective is to implement ongoing consultation processes on our projects that provide transparency and accountability at an executive level. We recognise our improvement in this area will be an iterative process, with ongoing refinement based on customer feedback.

Improving our approach to customers

We are working to improve the customer centricity of our business and the way that we engage with customers and represent their needs in the work we do. Some of our current and completed actions include:

- > A refreshed code of ethics and conduct for all TransGrid employees now includes our Energy Charter and customer commitment;
- > Delivery of our 2019 commitment to attribute 50 per cent of the performance review process to staff behaviour, including a customer focus;
- > Formalisation of annual review process undertaken for our TransGrid Advisory Council to ensure the forum evolves with customer feedback;
- > Dedicated fortnightly consumer engagement process for Project EnergyConnect and implementation of an inclusive procurement process;
- > Introduction of an executive level KPI to deliver cultural change, and delivery of first culture survey;
- > We are currently investigating new approaches to engaging with the community on our major projects, focussing on ensuring landowners feel understood and that their needs are reflected in our processes.

Maturity Assessment

Current Maturity: Emerging

3 -Year target: Evolved

Overall Customer Metrics

- > Net Advocacy Score +28% (+18% in 2019)**
- > Reputation score +92% (+82% in 2019)*
- > Trust score +72% (+80% 2019)**

Principle 2. We will improve energy affordability for customers

We understand the cost of electricity to customers is a core concern, particularly in the current economic climate. Transmission networks play an important role in the supply chain and our services cost end user customers approximately 1.1 cents per kilowatt hour³ making up approximately 4%⁴ of an average retail bill.

Maturity assessment

Our business is in a unique position to deliver lower electricity prices for customers. We understand there are many dimensions to affordability, and we are working to reduce the price of electricity for customers by reducing our own costs, connecting new low-cost generation and improving the ability to trade electricity between states through progression of our interconnector projects.

We are also focused on close scrutiny of how the costs of our future investments will translate into customer price impacts to support a more informed conversation around the benefits to customers of capital projects.

Delivering major projects

A central focus of our business is facilitating the transition to the future energy system in the long term interests of customers. We are progressing a number of major projects, as identified within AEMO's ISP. These projects are to improve (or establish) interconnection between states to enable greater generation sharing and enable connection of renewable generation. This is to provide increased competition within the wholesale electricity market, to reduce the forecast price paid by customers. Each project is rigorously tested to confirm customer benefits prior to any construction investment being made. We continue to work closely with customers, stakeholders, governments and regulators to achieve this. We are pleased to report construction has commenced for the approved upgrade of QNI which will allow improved access to lower-cost generation in Queensland and deliver affordability benefits to consumers within NSW and the ACT.

Improving the inclusion of customers in major project assessment

We recognise the complexity of major projects necessitates deeper consultation. This recognition is built on reflection of past processes, where we did not adequately consult on key project elements and thus struggled to communicate the need effectively to customers and stakeholders. We are working to improve the quality and transparency of our consultation - over and above regulatory requirements. An example is our approach to consulting on Project EnergyConnect, which is based on feedback from customers and consumers and has sought to involve stakeholders' at all key stages, and we will apply our learnings from this project for future projects. Some examples of our consultation initiatives include:

- > Created a standing fortnightly meeting attended by members of the project team, our executive, government, customers and stakeholders to ensure transparency and regular opportunities to engage with us on the project;
- > Facilitated a number of deep-dive workshops in NSW and SA to discuss details of the project and covered the travel costs for attendees (where requested) to ensure they can participate;
- > Adopted a transparent procurement process in consultation with consumer representatives, and the creation of a consumer observation panel to monitor the process.

Maturity Assessment

Current Maturity: Emerging

3 -Year target: Evolved

Affordability Metrics

- > Construction on QNI commenced with expected benefits of \$170 million to electricity consumers⁺
- > 1,690MW of new renewable generation connected to the grid^{+∞}
- > 1.1 c/p kWh cost impact to end user customers

³ AER - TransGrid - Post-tax revenue model, 2019-20 Return on debt, April 2020

⁴ AEMC price trends report 2019 and AER - TransGrid - Post-tax revenue model, 2019-20 Return on debt, April 2020

Principle 3. We will provide energy safely, sustainably and reliably

The safety of our staff, customers, contractors and communities is our highest priority. COVID-19 has introduced a new safety risk and we have adapted our processes accordingly, ensuring we can maintain work that is essential to the upkeep and operation of our transmission network. We are proud to report we have been able to adapt our processes to ensure we keep our staff and contractors safe while they work to ensure we provide customers and energy consumers in NSW and the ACT with safe and reliable electricity.

Maturity Assessment

In assessing our maturity and performance against Principle Three, we recognise that as a transmission business we contribute positively to the decarbonisation of the electricity network, however our business can improve its approach to environmental sustainability. Investors and customers are increasing the focus on the environmental performances of businesses, and we are responding.

Safety and Environment

The safety of our staff, contractors and the public is our highest priority. As part of our focus on continual improvement, we have worked to improve the focus on mental health and wellbeing as a core element of staff and contractor safety. Earlier in the year we observed an uptick in safety incidents, primarily amongst contractors. In response to this, our CEO instituted a whole-of-business 'hard' safety restart, halting work and requiring our staff and contractors to attend a safety workshop. We have also made progress on a new contractor Safety Management System, an app to manage the safety of all internal and contractor workers, and are pioneering the use of drones for restringing transmission lines as a safer and more cost-efficient option to helicopters. The continuation of these programs will be a focus for our business in continuing to improve our safety maturity.

We are developing our first ESG strategy with customer and stakeholder input, and our first Network Climate Change Adaption Strategy. We are focusing on improving the sustainability of our infrastructure and ability to respond to the increased risks presented by climate change. This focus will ultimately mean less disruption and cost to consumers due to issues caused by ill-adapted infrastructure. We have not disclosed information on carbon emissions in this document due to a current audit of our data. We look forward to including this information and updates on the progress and outcomes from our new strategy's in future disclosures.

Shift to a cleaner energy system

TransGrid is at the forefront of the transition to an energy system with more renewable generation, connecting new wind and solar generation to our network. We are working closely with customers, stakeholders, regulators and governments to ensure the transition, including our ISP projects, are progressed in the best interests of energy consumers. We are developing a Network Vision document in partnership with the CSIRO and ClimateWorks Australia - with input from our TAC - that will provide detailed modelling and scenario analysis to support the transition of the energy sector and economy.

Connection, service and reliability

The connection of generation, and provision of a secure and reliable flow of electricity, is central to TransGrid's role in the energy supply chain and the service that we provide to all our customers. We monitor and measure the reliability and security of our service 24 hours a day, and our executive management team and board are regularly updated on our performance and any disruptions to customers.

Maturity Assessment

Overall Maturity: Evolved

3 -Year target: Evolved - Empowered

Safety, Sustainability and Reliability Metrics

- > Network Reliability statistic 99.9997%+
- > Focus on safety score +97% (+97% in 2019)*
- > 540 MW of new generation capacity^{+∞}

Principle 4. We will improve the customer experience

Ensuring our business is accessible to our customers and stakeholders is core to improving the way we do business. Although transmission businesses historically may not have considered themselves as having many direct customer touch points, we recognise we work and interface with load, generation, network customers, landowners and communities as customers and have a responsibility to ensure we are accessible and accountable to them. This is an area that that we believe we can continue to improve.

Maturity assessment

As our business continues to develop a more customer-centric culture, we are examining the ways that we can improve the service that we provide to customers. Our customers provide us informed feedback of how we can improve the way that we communicate with them, and how we can effectively, 'close the loop' to demonstrate our accountabilities. We are progressing a number of initiatives based on our reflection of our performance and on the Independent Accountability Panel report. In particular we are focused on improving the service we provide customers and landowners impacted by our existing and future assets.

Working with our directly connected customers

We work closely with our directly connected customers through our dedicated Customer Team and through our executive body to ensure that our business is accessible for our customers. Customers have told us that this is important to them, as is our communication with them on all business related activities. Customers provided feedback that we can improve the way we communicate and engage with them on planned works, project timelines and planned outages, as these have the potential to impact our customers. Engaging with our customers to address this feedback and improve the quality of our communication and accountability is a priority for the coming year.

Improving the experience of landowners and communities

We recognise the location of our assets will have an impact on a local community or landowner, both in disruption during construction, and the ongoing need to access assets for maintenance. Landowners have told us that it is often the 'little' things that can make a big difference, like letting them know when we will be coming on their property, and ensuring we close and lock gates. We are committed to ensuring we take every step to minimise our impact on their lives and to ensure their experience working with us is positive.

Improving our service to customers

Feedback from our customers has shown us that we can improve our approach to communication with them, both in the way that we communicate externally, but also the ease and effectiveness by which they can communicate with us. As part of our approach to improve our maturity in this area, we are:

- > Improving our communication and accountability around outage planning by developing a Customer Outage Communication plan; We will establish annual meetings with all customers to better understand their plans for the year, communicate necessary maintenance that may impact them, and working to align outage maintenance with customer's plans to minimise any impact;
- > Conducting an independent review of our complaints management system, as committed in our 2019 disclosure. Our focus is on improving the management and tracking of complaints through our business for major projects. We will increase the scope of the review in the future to include complaints management across BAU business activities;
- > Improving the accessibility of our online easement development portal to make it easier for customers to lodge requests to develop near our assets. Our next stage for improvement will be linking our portal to the NSW Government's website, where the majority of development applications come to us to improve accessibility for customers.

Maturity Assessment

Overall Maturity: Emerging

3 -Year target: Evolved

Customer Experience Metrics

- > Direct Customer Net Advocacy Score -4% (+19% in 2019)*
- > Landowner Net Advocacy Score +43% (+2% in 2019)*

Principle 5. We will support customers facing vulnerable circumstances

As a transmission business, support for vulnerable customers has traditionally been considered in terms of our directly connected customers and communities and landowners who have our assets on their land. We are working closely with consumer advocates and our community organisations to better understand and improve our performance in providing support to end-user customers facing vulnerable circumstances.

Maturity assessment

We recognise we have more work to do in this area. During COVID-19 we have provided meaningful support to customers facing vulnerable circumstances. We are focusing on improving our support by better leveraging and supporting organisations that are already supporting customers in vulnerable circumstances. Our major projects will also provide economic growth in regional Australia, assisting the recovery from COVID-19. As part of our plan to improve in this area, we have introduced a new metric into our annual stakeholder research to help assess our performance in this area.

COVID-19

We have been confronted by the impact of COVID-19 and the financial hardship facing many businesses and customers. We have taken a number of steps to reduce the amount that customers will pay on their energy bills so as to limit our contribution to their financial burden. We have offered relief in the form of waiving or deferral of network charges for consumers and small business facing hardship from COVID-19. Waived revenue will not be recovered in future years. We have also reduced the rent on buildings we own for some smaller commercial tenants to help them manage their cash flow through this period. These actions will have a financial impact on our business, however we are committed to doing what we can to support customers in this difficult time.

Providing support to the communities in which we work

TransGrid is a regionally-based business, and our staff feel a deep connection to the communities in which we work. A focus of our business is to ensure that we are a beneficial presence in the communities in which we operate and there are a number of ways in which we do this, including investing in community grants (see below). Our business is also progressing a number of major projects as part of the transition of the energy system. These projects have the capability to provide significant economic stimulus to regional areas and this is something we are pursuing as a benefit of these projects. An example of this is that we have included quotas for local procurement for Project EnergyConnect, based on feedback provided from customers and stakeholders.

Improving our support for customers facing vulnerable circumstances

- > We provide not-for-profit groups with funding to help deliver initiatives that will have a tangible and lasting impact on local communities. Over the past 12 months, we have invested \$270,000 including a major sponsorship of \$50,000 to the Ethnic Community Services Co-operative to support their important work with culturally and linguistically diverse Australians and \$50,000 to support the Clontarf foundation which supports the education and employment of Aboriginal and Torres Strait Islander men.
- > We encourage staff to identify ways we can increase our support to those in need. An example is an initiative from our staff in northern NSW, where water being used to test new substation assets on site has been recycled and used to help top up dams of surrounding farmers experiencing drought.

Maturity Assessment

Current Maturity:
Elementary/Emerging

3 -Year target: Emerging - Evolved

Community Support Metrics

- > \$270,000 of funding to NSW community groups
- > Sensitivity to the needs of vulnerable customers score of +78%*

This page has been left intentionally blank.

Who we are

TransGrid operates and manages the high voltage electricity transmission network in New South Wales (NSW) and the Australian Capital Territory (ACT). TransGrid's network transports electricity from generation sources such as wind, solar, hydro, gas and coal power plants to large directly connected industrial customers and the distribution networks that deliver it to homes and businesses. TransGrid is committed to providing safe, reliable, and affordable electricity.

CONTACT DETAILS

For all enquiries regarding TransGrid's Energy Charter disclosure contact:

Graeme Wedderburn

Graeme.Wedderburn@transgrid.com.au

Robert Ephraums

Robert.Ephraums@transgrid.com.au

TransGrid 2020.

All rights reserved.

NSW Electricity Networks Operations Pty Limited (ACN 609 169 959), as trustee for NSW Electricity Networks Operations Trust (ABN 70 250 995 390). Registered business name is TransGrid (ABN 70 250 995 390).

www.transgrid.com.au