

2020 Energy Charter Disclosure Report



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About 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. Our geographic coverage includes:



 **20%**
of Australia’s GDP

 **16%**
of Australia’s jobs

 **1,200**
Schools

 **105**
Hospitals

 **3980**
Employees

Chairman of the Board message



The year past has been marked by unprecedented storm events, bushfires and the COVID pandemic. Our attention during this time has been firmly on the care of customers and staff while continuing to deliver safe, affordable and reliable energy.

The Principles of the Energy Charter have remained at the front of our minds. The needs of customers have come first in our decision making throughout COVID and the drive to

better understand our customers has improved outcomes.

For example, the Board oversaw two significant initiatives to support people during COVID; the Network Customer Relief Package for residential customers and the Capacity Reset Package for medium to large sized business. Both were designed to support customers when they needed it most.

This reflects our commitment to delivering customer-focused business initiatives, when it matters most to our community.

Another example is the Voice of Community reporting, which allows us to better understand how well we are meeting our customers' expectations. The Board has worked with the business to challenge and improve the development of the Voice of Community program.

The Board also notes the collaborative approach Ausgrid has taken with industry and customer representatives to improve safety practices, through our staged process to recommence some tasks live on the network after a tragic fatality of one of our team last year.

Our transformation cannot be effective without the direct input of our partners and customers and we thank them for their support.

Helen Nugent
Chairman, Ausgrid

Message from Ausgrid Customer Consultative Committee

Ausgrid has made significant progress to improve customer services through the development and implementation of new systems and programs, the integration of customer views into service design and the collaborative innovation program.

The refreshed Customer Consultative Committee, Pricing Working Group, the Technical Review Committee and the Network Innovation Advisory Committee provide valuable forums to drive collaborative governance and to allow decision making that will more effectively put customer needs on the same page as network needs.

We commend the progress that has been made on the customer transformation program, innovation programs such as community batteries, delivering emission reduction targets, collaboration to improve the integration of distributed energy resources and tariff reform.

We look forward to seeing continued improvements for customers.

CEO message



It is difficult to recall a year harder for our customers and staff. We have spent much of the year responding to crisis events, be it storms, bushfires or the COVID-19 pandemic. Preserving the safety of our customers and our employees has always been our first priority and through these difficult times safety has rightly been the foundation of everything we do.

The bushfires, storms, and the COVID-19 pandemic have shown

us that we can be adaptable, rising to the challenge of delivering essential services for our community through difficult circumstances. The learnings from these events will lead to permanent improvements for customers, particularly in improved preparation for the upcoming bushfire season, storm information for customers, planned and unplanned outage customer notifications and services for life support customers. We are confident that these changes will have a lasting impact and allow us to be a stronger business for our community when we come out of the COVID-19 pandemic.

These changes form part of our broader customer transformation program that will deliver business and cultural change. While shifting focus to implement changes to address specific needs arising from storms and COVID-19, our transformation program initiatives have significantly progressed our understanding of our customers and will enable us to integrate the findings from customer research into ongoing service design improvements.

Collaboration with industry partners and customer advocates has allowed us to better hear the voices of our community and therefore make better decisions. Safely returning to live work was achieved by NSW DNSP CEOs, customer advocates, unions and accredited service providers supporting changes needed. These changes to practices and process will lead to the strengthening of safety practice across our industry and leave a legacy of improved electrical safety.

This year, with the support of customer advocates we have progressed innovation plans and policy initiatives to evolve customer services and transition the grid to support a lower carbon economy. Our innovation decisions will be guided by a set of principles designed with the assistance of customer advocates to ensure customer needs are integral to project design. Our community battery and electric vehicle charging programs are two innovation initiatives customers will be able to experience this year. They form a key part of our network evolution plans.

This report shows examples of our work to deliver better customer outcomes which underpins our self-assessed Evolved maturity ranking. We outline actions we will take to continue to meet our ambition to reflect customer needs in our decision making, culture and service delivery. Delivering on these actions will progress our journey toward a maturity level of Empowered by FY22.

I thank all those who have helped us become a better business and I look forward to the Independent Accountability Panel's review and feedback on our FY20 Disclosure Report.

Richard Gross
Chief Executive Officer, Ausgrid

Understanding our customers

Ausgrid owns and operates a shared electricity network that provides power to the homes and businesses of our 1.8 million customers. That's over 4 million Australians relying on us every day. Following feedback from the 2019 Independent Accountability Report, we acknowledge that need to do more work to understand our customers. We have created a more robust framework for improving our understanding of, and seeking feedback from, specific customer groups.

Our newly formed customer transformation program is focused on improving customer interactions and services. The program started with a refresh of our customer segmentation and research that will inform the end goal of implementing a continuous stream of customer improvements.

Based on customer feedback and direct interaction with customers, we have developed new reporting and tracking frameworks, called the Voice of the Community program. We have elevated the Net Performance Score (NPS) from being a transactional survey to a reputational survey and we've supplemented it with several other transactional measures such as first touch resolution, case resolution percentage and customer satisfaction score. These changes will allow us to capture direct, timely and relevant feedback from our customers.

The suite of metrics will enhance data-driven decision making in our customer transformation program so we can focus our efforts where our customers tell us they are most needed. We look forward to establishing a baseline across these new metrics for FY21 with a view to providing a comprehensive progress update in our next disclosure report.

Research with our Customers and Partners

To guide understanding, our customer segmentation has two main categories: Customers and Partners. The Customer group is defined as residential, small to medium enterprises (SMEs) and large enterprises (LEs). Partners include major customers, Accredited Service Providers (ASPs) and applicants, retailers and local government.

To inform this work, throughout FY20 we conducted extensive qualitative and quantitative research with our customers.. This included over 20 group discussion sessions along with in-depth interviews, which provided us with 50 hours' worth of feedback. We also updated customer surveys right across our customer base, with our regular surveys conducted that received over 50,000 responses.

We are completing a 'customer canvas' for each segment to provide detailed customer insights, pain points, behavioural drivers and desired customer experience. This work is essential to redesign our services to reflect customer expectations. It also provides a granularity that allows us to assess the most vulnerable groups within each segment and pinpoint how we can do better by these customers.

In addition to the customer segmentation research, we have undertaken research to better understand customers views about new generation and storage technologies. This includes research with 430 NSW Electric Vehicle (EV) owners to investigate opinions and perceived behaviours around charging and electric vehicle driving patterns. In July 2020 we commenced a Community Battery research program among solar and battery and non-solar / battery customers.

To extend our local research effort and efficiently leverage government research and investments, we are also participating in two longer term research programs; the Monash Universities Digital Energy Futures Research Project and the Reliable Affordable Clean Energy for 2030 Cooperative Research Centre program (RACE for 2030 CRC).

This research will help us identify new innovative ways to partner with customers to lower demand on the grid, leading to lower prices.

Customers



Residential – over 1.5 million households

Households requiring reliable services at an affordable price



Small & Medium Enterprises (SMEs) – over 80,000 businesses

Small to medium businesses who need safe and reliable electricity services



Large Enterprises (LEs) – over 5,000 businesses

Large industrial or commercial customers who need safe and reliable electricity services but are less likely to interact with the services we provide

Partners



Major Customers – between 50 and 100 businesses

Large industrial or commercial customers with complex / technical needs requiring tailored solutions (e.g. airports, hospitals) or large-scale complex design connections (e.g. building developers)



Accredited Service Providers (ASPs) and Applicants – between 100 and 200 businesses

Companies that specialise in building and connecting new parts of the network and electrical contractors and consultants who complete design and connection related applications on behalf of end customers



Retailers – between 40 and 50

Sellers of electricity with direct interaction with end customers



Local Government (City Councils) – between 30 and 40

Multiple services including public lighting, vegetation management and other project works

Stakeholders & Communities

Communities within Ausgrid network

Customer representative groups

Regulators (AER, AEMO, AEMC)

Government (State and Federal)

Other electrical distributors

Industry representative bodies and Universities

Media

Ausgrid's end state:

Customers at the centre of our decision making

Through ongoing research and feedback, we will continuously improve our services with customer input. Services will be targeted and improved by addressing the pain points of specific customer groups, in both the short and the long term.

Our understanding of our customers continues to evolve by investing more time and resources into learning about customer preferences and actively improving the services we provide to them. It has been a learning process for us, and we are confident we can deliver better services based on an improved understanding of our customers, their needs, and how we are delivering the services into market.

2020 Program Highlights

Improving complaints process and customer outcomes

In early 2020, in recognition of lagging complaints indicators and consideration of the significant value of a more transparent complaints management process, Ausgrid's CEO and Board approved the appointment of our first Customer Advocate. This industry-leading move demonstrates the commitment Ausgrid is making to improve our engagement, processes and outcomes for customers through placing a strong focus on the role of complaints information as feedback.

The Customer Advocate acts as Ausgrid's internal complaints escalation point and is responsible for reviewing and arbitrating customer issues and complaints. The Customer Advocate also plays a vital role in understanding customer pain points and working collaboratively with all parts of the business to implement targeted business changes and improvements.

The success of this work will be seen in improvements in customer sentiment as tracked in the Voice of the Community monitoring and reporting program metrics.

Adapting storm information to address community needs

The November 2019 and February 2020 storm events severely impacted areas of our network leaving over 140,000 homes without power. We received over 26,000 calls to the contact centre and via our social channels with customers wanting to know when power would be restored.

We knew we had to be better at providing customers with restoration information during storms. Whilst our operations focused on safely restoring electricity supply, we adapted the restoration information to better address customer needs. We established a website banner to show where our crews are working, even when we were not able to provide exact restoration times. These changes have formed the basis of our new approach to storm response.

We are progressing improvements to our process for gathering and reporting of work during storms, which will lead to better information for customers. This includes conducting trials of automated SMS messaging to impacted customers during unplanned outages and overall improvements to our website (see Principle Four).

Amending Vegetation management program to address customer and council needs

Customer feedback and research with councils showed our approach to vegetation management was a key issue. Tree trimming is essential maintenance that helps ensure a safe and reliable power supply to homes and businesses across our network. Ausgrid undertook extensive consultation with councils and customers to improve our communication practices and the way we trim trees, which directly shaped our 2020 vegetation management program.

The trimming clearances agreed during consultation were adopted and we engaged with councils to advise them on our new approaches and program timeframes well before trimming commenced. We are proactively communicating contractor schedules with councils and a full list of suburbs is provided on our website. Additionally, a targeted digital advertising campaign is underway to inform communities of

upcoming tree trimming in their streets. We have refreshed website text and created a video to describe how we trim trees to maintain the health of trees and the safety of our network.

Lastly, we introduced an improved customer complaints program, where Ausgrid actively manages complaints on behalf of contractors to ensure timely outcomes for matters raised.

Improving our support for Life Support Customers

Following our experience supporting customers during the February storms, we improved the information we provide to, and our communication with, customers who rely on life support equipment. This includes:

- A dedicated webpage consolidating all important information in one place supported by a global button for easy accessibility from anywhere on the website.
- Refreshed 'What is your Plan B' flyers based on primary market research.
- Digitised short form contract waivers for gaining approval to continue planned outage works in the event of newly registered Life Support customers.
- Call ahead service by Contact Centre for planned outage notification during COVID-19.
- Dedicated phone queue when contacting the Contact Centre.

Changes were made to materials following input from Council for the Ageing, they will also be translated to support engagement with culturally and linguistically diverse groups across our network.

Ausgrid responds to COVID-19

Customer Support Area	Ausgrid Actions
Affordability	NSW networks customer relief package: Providing relief to residential and business customers in hardship via payment rebates and deferrals to Retailers.
	Large consumption customer relief: Resetting network capacity charge baselines to lower consumptions levels for businesses with historically large consumption.
	Hardship Support: Reviewed our Hardship Program to ensure we are providing maximum flexibility in payment options.
	Third party damage recovery: Paused debt recovery of 3rd party damage to our Network assets.
Reliability	Supply disconnection: Paused the disconnection of supply for non-payment unless Retailers could ascertain consent from the Customer or prove inability to contact Customer.
	Reduced power disruptions: Created a new customer impact assessment to enable continued network maintenance, new customer connections and major infrastructure projects with reduced customer power disruptions.
	Customer support maintained by contact centre: Operated two contact centres by enacting Business Continuity plans.
Looking after our most vulnerable	Life support customers: Dedicated strategy for life support customers including newly co-designed 'Plan B' flyers, refreshed webpage, a call ahead for planned interruptions and a dedicated contact centre phone queue.
Improving our service for future bushfire and storm seasons	Bushfire season private infrastructure: Improved communication, earlier in the year, with follow-up and more flexible hardship payment options.
	Planned outage notifications: Digitisation of the short-notice outage waiver to allow newly registered life support customers better prepare for planned outages.



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

Putting customers at the centre of our business is good business, so in order to drive business improvements, last year we introduced cultural, governance and process changes to transform how we serve our customers.

Supporting and incentivising customer focused cultural change

Ausgrid continues its work to incentivise high performance, with a new customer-focused performance standard included in our performance development framework. This measures our employees' performance and success in meeting customer expectations. From the framework's introduction in FY19 to the most recent annual performance year FY20, we have seen a nearly 9% increase (up from 30.25% to 39.12%) in our employees exceeding expectations against the customer-focused performance standard.

To enhance our customer-focused performance, in June 2020, we piloted our newly developed Customer Interactions training, which includes reference to the Energy Charter. This training will increase our frontline employees' capability to more effectively and safely manage customer interactions.

Ausgrid's Short Term Incentive (STI) and Long-Term Incentive (LTI) Plans, linked to bonus for senior executives, include customer measures to drive the right customer service behaviours. Linking customer service criteria to STI and LTI Plans is designed to reinforce executive backing for customer improvement programs across the business.

Listening to our customers

As mentioned in the highlights section, Ausgrid has established a Voice of the Community (VoC) program to assess customer sentiment on a real time basis and receive feedback across all customer segments. Our goal is to gauge how we are tracking and to measure what is important to our customers and then to make improvements. This VoC dashboard is also shared externally with our

Customer Consultative Committee (CCC) to keep them informed of improvements we are making and hold us accountable for the things we need to change.

The Ausgrid Board and Executive Leadership Team regularly review the VoC metrics, as we transition our focus to an 'always on' feedback loop. The new VoC dashboard will replace the current measures. While we know we have more work to do across the business, provision of visibility of these metrics to Ausgrid's Board indicates the progress we are making towards achieving a culture that puts customers first.

Customer commitments and collaboration

Ausgrid has delivered on commitments to establish new committees where customer representatives work with executives and managers to ensure customer perspectives are incorporated into strategic decisions. Our employees engage directly with customer advocates, helping them to understand different perspectives to make more informed recommendations.

The Network Innovation Advisory Committee (NIAC) has developed innovation principles and a ranking system that will help to prioritise innovation projects and ensure positive customer outcomes. Ausgrid is pursuing the highest ranked projects, Community Battery and the network insights project.

The Pricing Working Group (PWG) worked with Ausgrid to submit an amendment to our Tariff Structure Statement to include a new embedded network tariff. This aimed to address the growth of embedded networks within the Ausgrid distribution area, improve efficiency of our tariffs, ensure fair contribution to funding network costs by all customers and promote efficient entry in the embedded networks service provision. The Australian Energy Regulator (AER) did not accept the suggested amendment, but it does consider the issue of how to effectively price the provision of embedded networks to warrant further consideration in future processes.

2019

2019 - 2020 EVOLVED

Promises delivered and actions taken:

Developed Customer Performance Scorecard to enable us to measure and use customer feedback to inform service delivery design (Voice of Community scorecard) shared with customer advocates (PIA 1.1).

Implemented transformation initiatives that focus on improved reporting and supporting better customer outcomes (Voice of Community program) (PIA 1.3).

Customer focused performance measures in place for all staff to incentivise better customer outcomes.

Customers steering business decisions and increased collaboration through expanded engagement with customer committees.

2020 - 2022 EMPOWERED

2021 Actions proposed:

Living Our Values cultural change program.

Improve LTI and STI Plan customer value metrics.

Share performance scorecard with customers.

Measurement:

RepTrak Community score 71.5 (FY19)

RepTrak Stakeholder score 63.5 (FY19)

2022



Principle 2:

We will improve energy affordability for customers

Energy affordability is a growing issue across our industry, and each part of the energy supply chain has a part to play in getting better outcomes for our customers. In the last financial year, we developed innovative programs such as the community battery initiative to help customers control energy use and we commenced work on better incorporating customer benefits into our investment decision making processes.

COVID-19 is having a profound impact on households, businesses, schools, hospitals and other customers that use the shared electricity distribution network every day. Ausgrid initially submitted our FY21 pricing proposal with no proposed changes to our prices, so no customer would be worse off, however this led to the questioning of our energy forecasts. Ausgrid worked closely with the AER on energy demand forecasts before submitting an increase in network prices of less than 2.3% for the FY21 pricing proposal, which was lower than the 2.7% increase we had calculated before the COVID-19 pandemic. Ausgrid also worked with customer advocates on our pricing position.

Throughout the COVID-19 pandemic we worked hard as a business and as an industry to provide financial relief for customers most in need. Ausgrid, Endeavour Energy and Essential Energy worked together to deliver the NSW Network Customer Relief package for residents and small businesses. In addition, Ausgrid delivered a one-off capacity reset to provide bill relief for medium to large business customers worst affected by COVID-19. We saw the need to provide these relief packages due to increasing requests for assistance from our customers and worked collaboratively with retailers to deliver these savings.

Innovative solutions for affordable energy

An integral part of lowering costs for our customers is demand management, which can deliver more competitive and cost-effective energy solutions. We have delivered the Power2U program that encourages customers to take up renewable energy and the Virtual Power Plant program that allows customers to share their excess stored energy with the grid, for the benefit of all customers. More information on these programs is on our website.

Progressing Tariff reform

Ausgrid worked with customer advocates to advance pricing reform for the benefit of all customers. Demand tariffs for residential and small business customers became a default tariff assignment from

1 July 2019, putting customers more in control of their network bill. (Work on embedded network tariffs are mentioned in Principle One). Additionally, our contribution to the Distributed Energy Integration Plan (DEIP) Access & Pricing working group has supported the submission of three rule changes to the Australian Energy Market Commission that will drive benefits for customers.

Ausgrid is developing network tariffs and charges to support our pipeline of innovative projects, such as community battery schemes, dynamic connection agreements and Electric Vehicle (EV) charging. The principles applied to develop these new tariffs would be extendable to support further innovative applications, such as virtual distribution system operation and peer to peer trading. This research will support and advance our thinking on further strategic direction of tariff reform in the environment of accelerated penetration of DER.

To enhance choice and control over energy use for large customers, Ausgrid is currently investigating the development of dynamic and flexible connection services. Dynamic connection agreements aim to allow customers to connect in constrained areas by placing restrictions on their load usage or generation. Dynamic connections can take the form of non-firm access that can be curtailed, timed connection or shared connections. Demand response (demand turn-up or turn-down services) can also be procured as part of the dynamic connection agreement.

We are also working on tariffs to support a predicted increase in EV use, engaging with the NSW Government on the tariff options to accommodate EV charging stations. We are also considering options for residential and small business EV charging. Some of the new innovative tariffs might be trialled as sub-threshold tariffs from as early as 1 July 2021.

Energy advice for customers

In our previous report, Ausgrid outlined our goal for the introduction of independent energy advice for our customers. The intention was to allow our customers to have the tools and information needed to make informed decisions from a source that would not benefit from these decisions. Following discussions with our Customer Consultative Committee (CCC), we took on board their advice not to pursue the idea.

To address a gap in provision of energy literacy and safety advice to Culturally and Linguistically Diverse (CALD) communities, Ausgrid has committed to participating in the Sydney Alliance Voices for Power initiative, along with other Energy Charter signatories AGL, Origin Energy, Endeavour and Jemena. We are also considering working with Australian Energy Foundation to provide free energy advice to customers facing hardship.

2019 - 2020 EVOLVED

Promises delivered and actions taken:

Review of investment governance with KPMG to incorporate customer views into capital investments in FY21 (PIA 2.1).

Improving customers' ability to manage energy use with demand management solutions such as our Power2U and Virtual Power Plant trials (PIA 2.1).

Ongoing review of Ausgrid's Repex model (PIA 2.1).

Conducted feasibility testing of community battery trials (PIA 2.4).

COVID-19 financial support packages delivered for customers in need.

Progressing tariff reform.

Measurement:

Tracking operational expenditure	FY19	FY20	FY21	FY22
Opex \$m	446	403	379	376
% movement year on year		-10%	-6%	-1%

2020 - 2022 EMPOWERED

2021 Actions proposed:

Implement the new investment governance framework to include customer component in investment decisions.

Undertake community battery trial.

Expand demand management programs.

2019

2022



Principle 3:

We will provide energy safely, sustainably and reliably

Delivering energy safely, sustainably and reliably is an essential part of Ausgrid's role in the energy network. Customers depend on us as an essential service and we understand that our approaches to safety, sustainability and reliability need to transform over time based on customer expectations.

Live work resumption

A critical milestone was achieved in December 2019 with the return of the majority of Stage 1 live work tasks. Ausgrid has been progressively returning other Stage 1 and Stage 2 Live work tasks with the required critical controls in place. Measures to achieve this are discussed below and detailed information on tasks and measures can be found on our webpage.

Public Safety

Ausgrid's Public Safety Risk Management Framework has been reviewed and can be broken down into three layers of control: asset management, process safety (work methods) and public awareness. These three layers are formally linked together in Ausgrid's Public Safety Formal Safety Assessment (FSA) which was updated in July 2019.

Work is continuing in 2020-21 to improve integration between the three layers of control through their respective management systems. This will include further updates to the Public Safety FSA including implementation of recommendations from recent public safety reviews and audits.

Process Safety

Ausgrid monitors safety performance through assurance activities, the review of hazard reports and incident investigations. These processes enable the identification of improvement opportunities to enhance work practice control measures that protect the health, safety and wellbeing of the public.

Following the pause on live work from April last year, Ausgrid conducted a major safety review to ensure our network is safe for both our communities and our employees. The impact of this decision was felt by customers, Accredited Service Providers (ASPs), councils and our employees. To ensure we considered these impacts as we developed measures to allow us to safely return to live work, Ausgrid established the Live Work Consultative Committee. This committee was comprised of the Ausgrid CEO, the CEOs of Endeavour, Essential Energy, Energy Consumers Australia (ECA) as well as representatives from The Electrical Trades Union (ETU) and National Electrical Communications Alliance (NECA).

The measures, safety controls, re-training, verification of competency and assurance programs we now have in place to allow the resumption of live work tasks have been supported by the Committee. We recognise that customers, councils, ASPs and property development businesses have suffered due to the pause on work. We have made good ground since December to address our backlog, especially in street lighting. We expect that the changes we've made to practices and accreditation will lead to the strengthening of safety practice across the industry.

Ausgrid will continue to define our critical risk management framework as we introduce Critical Controls Management (CCM) as the core of our Health and Safety strategy. This will enable our people to focus on the

control measures that prevent serious and life changing incidents for our people and the public.

Asset Management Strategy

Ausgrid manages network assets and delivers maintenance programs that mitigate asset risk to public safety. A large portion of the maintenance and replacement program relate to the management of public safety risks including:

- Pole and line inspection leading to the replacement of poor condition overhead assets.
- Line upgrades on conductors with higher probability of failing, particularly during extreme weather events.
- Upgrade of bare and covered service wires with insulated conductors, reducing the risk of domestic shocks and contact with live conductors when on roofs or up walls near the exposed conductors.
- Replacement of low voltage underground cables that have the potential to create domestic shock and step-and-touch potential risks.
- Security upgrades to substation housing and boundary fencing to prevent unauthorised or inadvertent access.
- Testing and upgrading of fire systems which prevent the spread of substation fires onto neighbouring properties.
- Vegetation management to minimise the potential for trees and branches to bring down powerlines, further reducing the risk of contact with live conductors.
- Completion of annual Bushfire Hazard Inspection Program followed by rectification of all identified defects.

Ausgrid also investigates improved technologies that can further mitigate public safety risk including network monitoring devices and switches which can be used to isolate power in dangerous situations.

Public Electrical Safety Awareness

Ausgrid delivers an annual Public Electrical Safety Awareness Plan (PESAP) which focuses on creating awareness of the risks associated with the distribution and use of electricity. Cornerstone activities include Electrical Safety Week, sponsorship of trade publications and community service announcements during weather events. This plan is constantly reviewed in line with weather predictions to ensure messaging reaches the most affected communities and to effectively respond to weather events. One action that has been delayed from our last report is continual improvement of targeting and measurement of our PESAP against defined indices.

Sustainability

Ausgrid understands the growing expectations of the community to make sustainability a part of everyday business. Based on FY19 performance, we published our first Global Reporting Initiative compliant Sustainability Report.

Ausgrid continues to reduce our emissions from the FY17 baseline. Targets are an 8% reduction of all emissions and 44% reduction for all emissions excluding line losses, by FY24. Lower demand, COVID-19 and grid decarbonisation contributed to an 11.8% reduction in all emissions for the FY19 reporting year. Investment in solar panels at our depots, fleet reductions and sustainable building upgrades had a significant impact on our own emissions with a reduction of 13.3%. COVID-19 impacts contributed to this decrease. Ausgrid will review our target once there is stabilisation in energy use post COVID-19.

Customers expect us to evolve the grid to support increased adoption of distributed energy and to participate in initiatives that support decarbonisation of the energy sector. Progressing innovation programs with customer advocates will help us achieve these goals and take us toward an Empowered sustainability ranking.

Reliability

During COVID-19 Ausgrid has reduced planned outages to avoid unnecessary work as many of our customers are spending more time at home. We prioritised critical work that would avoid longer or unexpected customer power outages. Additionally, preventative maintenance was completed on Ausgrid assets that supply key community infrastructure, such as hospitals and quarantine hotels.

Ausgrid has maintained our SAIDI and SAIFI reliability results, except on our urban feeder SAIDI score. This is due to the implementation of the pause on live work and the significant impact of storms and bushfires on the duration of network outages. It is the first time in many years we have not met this measure. Ausgrid strives to improve the reliability of our network in line with the level of reliability that customers are willing to pay for.

We are taking action to improve the performance of our worst performing local electricity feeders and to improve continuity of service to customers in remote areas or areas prone to storm or bushfire damage.

We are:

- Actively considering opportunities for deployment of specialised technologies such as Intellirupters, Stand Alone Power Systems (SAPS) and microgrids. These technologies have the potential to provide better resilience to customers whose supply is more susceptible to weather-based events or more difficult to restore afterwards.
- Improving our data regarding identification of vegetation encroachments to facilitate their rectification and prevent them resulting in an outage.
- Placing a strong focus on rectification of High Voltage feeder faults, which have high customer impact.

The initiatives above give us confidence that Urban SAIDI levels will return to more normal levels below the 80 min Urban SAIDI threshold.

Increasingly extreme weather events will continue to have a major impact on reliability, making planning for storms more difficult. It is important that we collaborate with customer advocates and engage with our customers, as well as governments and regulators, to agree on the solutions for delivering a more resilient network capable of flexibly responding to extreme weather. Ausgrid will be an active participant in these discussions.

2019

2019 - 2020 EVOLVED
Promises delivered and actions taken:

Safety
Worked with staff and partners to resume some live work tasks following improved training accreditation and safety measures to reduce our backlog of maintenance for customers (PIA 3.1).

Sustainability
Progressed actions to address Modern Slavery in line with government and community expectations (PIA 3.6).

Committed to reducing carbon emissions, tracked and reported in our annual Sustainability Report.

Implemented new programs to help customers manage energy use and support investment in renewable energy technologies and EV.

Reliability
Reduced power disruptions during COVID-19 to only critical works with customer impact assessment.

2022

2020 - 2022 EMPOWERED
2021 Actions proposed:

Safety
Improve targeting and measurement of the effectiveness of our Public Electrical Safety Awareness Plan (PESAP).

Sustainability
Invest in innovation programs guided by investment principles, e.g. community batteries and community EV charging.

Reliability
Lead discussion on network and community resilience.

Deploy technologies such as Intellirupters, Stand Alone Power Systems (SAPS) and microgrids to provide better resilience.

MEASUREMENT

Public Safety: 12-month period to 30 June 2020

319

Third Party Contact with Overhead assets (decrease of 54 from FY19)

99

Third Party Contact with Underground assets (decrease of 26 from FY19)

6

Unassisted Pole Failures (decrease of 4 from FY19)

409

Unassisted Overhead Conductor Failures (increase of 112 from FY19)

73

Domestic Electric Shocks (increase of 10 from FY19)

Sustainably

9.8%

reduction in all emissions (to a target of 8%)

↓ 13.3%

reduction in our own emissions (on track to reduce emissions by target of 44% by FY24)

Reliability: 12-month period to 30 June 2020

↓ 99.982%

Availability (decrease from 99.886% in FY19)

↑ 92.18

SAIDI (23% increase from 74.69 in FY19)

↑ 0.68

SAIFI (3% increase from 0.66 in FY19)



Principle 4:

We will improve the customer experience

Ausgrid's focus on improving the customer experience has evolved over the past year, with an increase in resources and plans put in place to ensure we are actively listening to our customers' concerns. We introduced a dedicated Customer Transformation team who are focused on developing a customer-centric future state service design.

Improving Ausgrid's website

Our website continues to improve to make it easier for customers to find the information they need. Listening to our customers (through survey feedback, social media, general complaints, and customer research) and acting on their feedback, has been integral in implementing changes. In FY20 we reworked our Life Support Customer pages, improved power outage and major storm information, introduced feedback surveys and launched a helicopter patrol map and flight schedules for bushfire prone areas of our network.

An understanding of our customers' experiences during the November and February storms has led to the introduction of a dedicated storm landing page. During the next major storm to hit our network, the page will provide status updates on affected suburbs and include more detail on how we restore power through Frequently Asked Question documents. Ausgrid has also launched a Storm Tracker which displays weather data from the Bureau of Meteorology (BOM) and enables us to share this information via our social media channels.

We will continue to improve our website based on customer needs, with future improvements currently underway on our power outage map and our service request forms.

Voice of Community (VoC) and customer led service design

The launch of Ausgrid's Voice of Community (VoC) program has increased the level of shared understanding and transparency across all internal and external stakeholders of performance against key 'moments that matter' and the underlying drivers. We've launched several survey programs that help inform how best to conduct timely follow-up with customers when their matter has not been satisfactorily resolved.

The program has also introduced a focus on first touch resolution across

digital channels. This supports the continued adoption of online self-service capabilities to deliver services to our customers. We do this while continuing to provide our customers with the opportunity and access to call our Contact Centre directly and reducing hand-offs to improve first touch customer resolution. The driving force behind our improvements to digital first touch resolution was the desire for, after they urged for greater customer-centricity through our digital platforms. Acknowledging that our website is the gateway to almost all service needs our customers may experience, we have implemented the following changes:

- Bringing our social media feed onto our website
- Dedicated webpage and global button for life support customers
- Changes underway to revamp the customer map reporting experience for all hazard, outage and maintenance requests
- Leveraging analytics to improve content navigation and create links to associated webpages to improve the ease for customers to finish their journey in one visit
- Improving the way that we communicate with our customers in digital content, through our tone of voice, to make it easier to read and understand

Complementing the VoC program received, in particular through regular reputational Net Promoter Score surveys and customer interviews, we are fast developing a capability to rapidly turn feedback into future service design concepts that can be created through a customer design process and piloted repeatedly to refine and eventually bring to life in our day to day operations.

- Our experience during the storms showed customers wanted more information on outage restorations. This has led us to testing of a trial service to SMS information to residential customers during an unplanned outage with updates tracking status changes until restoration.
- A key pain point for small to medium enterprises is the disruption to business operations from planned outages. To better support these businesses, we have commenced work with SME customers, on a trial of new planned outage notifications for these customers supported by a website tracker.

We are working relentlessly through the challenges of major storms, bushfire season and the COVID pandemic to create more positive experiences for our customers and partners with Ausgrid. Our public commitment is to maintain that focus and deliver on both our promises and a better experience for all on our network.

2019

2019 - 2020 EVOLVED

Promises delivered and actions taken:

Continuous website improvements based on customer feedback to deliver functionality improvements for digital channels and claims management processes (PIA 4.2).

Improved response time and reduced the backlog of streetlight outages, following the pause on live work tasks (PIA 4.2).

Enhanced Vegetation Management program based on customer feedback and research with councils (PIA 4.3).

Understanding customer needs through direct research, improved customer segmentation and implementation of a framework to track and monitor customer feedback.

Improved customer communications and ease of our customers doing business with us.

2022

2020 - 2022 EMPOWERED

2021 Actions proposed:

Continue service design improvements based on segmentation for unplanned outages, planned outages, new connections and services to local government and implementing new or enhanced services for customers.

Further website improvements to reflect customer needs e.g. power outage map and our service request forms.

Evolve complaints management process to create a more consistent experience for customers.

Measurement: 1 July 2019 - 30 June 2020

- ↑ **15208**
Claims (up 65% from FY19)
- ↑ **6295**
Complaints (up 8% from FY19)
- ↓ **197**
EWON Matters (down 2% from FY19)
- ↑ **19.5 days**
Average time to resolve claim (up 22.8% from FY19)

Customers engaging with website during February Storms (from Feb 8 to Feb 27)

Customers successfully submitted **12,505** outage events through our website and **75,492** clicks were recorded on 'report outage' feature.



Principle 5:

We will support customers facing vulnerable circumstances

Ausgrid recognises that across our community there are households and businesses that may be vulnerable. These customers require more tailored support and Ausgrid is committed to improving the way we operate to meet their needs. We have undertaken significant work to establish a better understanding of our vulnerable customers and what they need and expect from us as a service. Ausgrid currently identifies the main groups of customers in vulnerable circumstances as life support customers, those facing financial hardship and Culturally and Linguistically Diverse (CALD) customers.

Better understanding customers who rely on life support equipment

As we continue to learn about our customers and their needs, we have embarked on a significant journey to better understand customers who rely on life support equipment and improve services for them. We have worked to increase contact with these customers during COVID-19 and improve the resources we provide them.

We have redefined our Life Support segments, consulting with other industries to leverage off their research of these customers. This includes a deeper understanding of Ausgrid's varying life support segments, through research conducted with CPAP users and our customers.

Through qualitative research, Ausgrid now has a clearer understanding of life support customers and their choice of device. This research also uncovered that, concerningly, most customers relying on life support do not have a 'Plan B' to deal with power outages. Once we were made aware of this, we worked with these customers to ensure our resources are fit for purpose and conducted an end-to-end update of our 'Life Support Customer' pages on our website. Physical copies of these new resources have been sent to all registered life support customers, including a factsheet with an action plan to help customers develop their 'Plan B' if their power supply is interrupted.

There is still a range of work in progress to better serve the needs of these customers and provide support in times when they need us most, including:

- Language translations of the 'Plan B' fact sheet into a range of common languages in our Network Area
- Dedicated phone line queue via our Contact Centre 13 13 88 number
- Working with Retailers to improve accuracy of life support customer registrations
- Increased social media posting relevant to these customers

- Active leadership and participation of a forum consisting of the Australian Energy Foundation, other Networks, Retailers and life support customers on advocating key rule changes
- Internal joint Operations-Customer 'health review' on the robustness of business processes and risk controls in place for each of the 14 identified rules
- Active participation in state emergency management for major events to improve hand-offs between Ausgrid and other support services (police, SES, health etc.).

We recognise we had an increase in NECF breaches this year and the measures we have outlined above aim to improve communications with our life support customers during planned and unplanned outages and reduce this risk.

Improving our strategy for customers in vulnerable circumstances

Ausgrid is focused on improving our service for customers facing a range of vulnerabilities by developing a more comprehensive strategy based on customer feedback.

This work has evolved into three key categories: our current approach, the approach during COVID-19 and an evolved future approach. In recognition of new customers across the community facing short-term vulnerabilities during the COVID-19 pandemic, we expanded our definition of vulnerability to include customers in self-isolation.

Ausgrid has also improved our hardship program, extending payment plans and creating greater flexibility to assist the increasing number of customers experiencing financial stress. We implemented an outbound calling process for network infrastructure defects that extend beyond the 60-day rectification period to provide customers with the quotation for the works and to discuss timeframes. As a result, we can more easily identify where a customer is in genuine hardship and provide them with early access to Ausgrid's hardship program and a case manager to help alleviate anxiety.

We have also included new services in the hardship program's scope for the first time, including Ancillary Network Services. For example we have introduced upfront billing for Tiger Tails works along with a new exemptions process that is accessible to individuals, sole traders and small businesses facing Tiger Tail rental fees during construction site shutdowns and delays due to COVID-19. We have also provided payment extensions and discounting options for these customers where applicable.

During the COVID-19 pandemic, Ausgrid has collaboratively engaged with a range of companies to further develop our vulnerable customer strategy. We are also actively working with the Australian Energy Foundation (AEF) to understand the specific impacts of COVID-19 across our most vulnerable customers to guide our strategy.

2019

EVOLVED

Promises delivered and actions taken:

Conducted in depth research into life support customers' device choices, in order to provide better information on the impacts of power outages (PIA 5.2).

Increased contact with customers on life support for planned and unplanned outages.

Implemented changes to all materials for life support customers based on their feedback.

Supported customers facing financial difficulties during COVID-19 by reviewing our hardship policy to ensure we are providing maximum flexibility to financially impacted customers.

EMPOWERED

2021 Actions proposed:

Complete vulnerable customer strategy.

Provide translated materials for customers on life support into their preferred language.

Australian Energy Foundation (AEF) energy advisory service to vulnerable customers.

Measurement:

NECF Type 1 Life support breaches
FY20: 5 (increase of 4)

2022

