

Electricity Distribution Price Review FY2027 to FY2031 (EDPR 2027-31)

Resubmission Addendum: Customer Experience

Date: 1 December 2025



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28/11/2025	V2.0	Final addendum for submission

Related documents

DOCUMENT	VERSION	AUTHOR
Customer Experience Business Case Cost Estimation Addendum	V1.0	IBM
Customer Experience Business Case Cost Estimation Benchmarking	V1.0	IBM
Revised Proposal Digital Program NPV Model	V2.0	AusNet Services

Approvals

POSITION	DATE
Digital & Technology – Strategy, Regulatory and Partner Management	November 2025
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Executive Summary

The Customer Experience program is AusNet's non-recurrent expenditure to uplift our customer communication systems to meet the growing needs of our customer base. We currently leverage a range of systems to communicate with customers, including outage trackers, customer relationship management tools, and connection and meter data portals. These platforms integrate multiple areas of the business, enabling the exchange of information across internal systems and related databases to deliver our customer experience.

The AER's Draft Decision did not accept AusNet's initial proposal for Customer Experience, with alternative forecasts for capex and opex as detailed in **Table 1** below.

Table 1 AusNet Initial Proposal and AER Alternative Forecast (\$m, real FY2026)

Cost item	AusNet Initial Proposal	AER Alternative	Adjustment
Capex	\$45.3m	\$11.3m	-75%
Opex	\$1.5m	-	-100%

The AER details reasons for the Draft Decision adjustments, which AusNet has addressed in our Revised Proposal:

AER Draft Decision Feedback	How this has been addressed in AusNet's Revised Proposal
Insufficient justification of the inclusion of all the proposed initiatives nor sufficient evidence to support the assumed scale and scope of each initiative	<ul style="list-style-type: none"> AusNet has refined and matured the scope and interdependencies of each initiative to clearly demonstrate the need for investment. Detailed scope and scale descriptions, along with specific ties to customer focused outcomes, can be found in Section 2.1 of this addendum.
NPV is negative, which does not align with the ICT guideline for this type of expenditure	<ul style="list-style-type: none"> As our customer panel demonstrated strong support for the recommended improvement program and a willingness to pay for the required investments, we did not fully quantify the associated benefits in our original submission. Benefit modelling for the program has been revised in our proposal and is now NPV positive.
AusNet identified that it had incorrectly included SaaS implementation costs for its customer engagement program in capex forecasts	<ul style="list-style-type: none"> AusNet has updated the capex and opex forecasts in our revised proposal and reallocated SaaS implemented costs appropriately. Allocation of an 80/20 (capex/opex) split for SaaS implementation related costs has been included, based on current period like-project benchmarks.
Cost estimates not based on referenceable bottom-up assessments, with potential for over-estimation bias.	<ul style="list-style-type: none"> AusNet has undertaken a thorough revalidation of our internal assessments. Additionally, we engaged IBM, who have delivered AusNet's current period customer programs, to complete independent cost estimation, leveraging their knowledge of AusNet's technology landscape and industry expertise.

In addressing the AER's Draft Decision feedback, AusNet evaluated two options for the Revised Proposal program. These options assessed the relative cost and benefits from two alternative degrees of program scope. The results of this assessment are detailed in **Table 2**, with Option 2 preferred as delivering the highest NPV.

Table 2 – Options assessment results (\$m, real 2024, distribution network cost allocation)

#	OPTION NAME	COST (TOTEX \$M)	NPV (\$M)	PREFERRED
1	Implement foundational customer service improvements	\$27.9m	\$4.9m	No
2	Implement foundational and personalised customer service improvements	\$39.1m	\$7.4m	Yes

Based on this assessment, AusNet's revised Customer Experience proposal represents \$30.2m capex, \$7.6m non-recurrent SaaS implementation opex and \$1.3m of recurrent licencing and support opex. All costs represent distribution network allocation. The expenditure profile through the FY2027-31 regulatory period is detailed in **Table 3** below, noting that in line with the AER's Draft Decision feedback regarding offsetting business opex benefits AusNet is not proposing a step change for the recurrent licencing and support opex.

Table 3 - Forecast expenditure for Option 2 (\$m real 2024, distribution network allocated costs)

Cost item	FY2027	FY2028	FY2029	FY2030	FY2031	Total
Capex (implementation)	\$4.3m	\$6.7m	\$8.4m	\$5.8m	\$5.1m	\$30.2m
Opex (implementation)	\$1.1m	\$1.7m	\$2.1m	\$1.4m	\$1.3m	\$7.6m
Opex (Licencing and Support)	-	\$0.0m	\$0.4m	\$0.4m	\$0.4m	\$1.3m
Total expenditure	\$5.4m	\$8.4m	\$10.9m	\$7.6m	\$6.8m	\$39.1m

1. AusNet's Proposal and AER Draft Decision

AusNet currently utilises a range of systems to communicate with our customers, including outage trackers, customer relationship manager, and connections portals. These systems are designed to integrate multiple areas of the business to serve customers, through systems and internal business portals that enable the exchange of information from various sources and related databases.

This section summarises AusNet's initial FY2027-31 regulatory period proposal for Customer Experience investments to uplift customer communications and touchpoints across AusNet's digital landscape. Also detailed is the Australian Energy Regulator's (AER's) Draft Decision, alternative forecast, reasons for adjustments to AusNet's proposal, and feedback to be addressed in revised proposal.

1.1. Initial Submission Summary

AusNet's customer sentiment surveys have shown that our customer experience has deteriorated in the past few years across several metrics. Extensive engagement with our customers and our customer panel has further identified that improvements are required to meet their service level expectations. Additionally, current period weather events, such as the June and October 2021 storms and February 2024 storms, have also highlighted limitations with the systems used by AusNet to interact and engage with customers.

To develop our proposed Customer Experience improvement program, AusNet undertook extensive customer engagement and research activities to define specific gaps and pain points, target required program scope, and confirm customer support and willingness to pay. This included:

- AusNet captured and analysed four years of customer satisfaction (CSAT) data and insights across our key customer journeys and mapped these pain points as opportunities for improvement
- At customer workshops (four rounds of five workshops held across the AusNet network with 20-30 customers at each), residential and business customers provided feedback on their recent AusNet customer experiences and shared their expectations for near-to-medium-term customer experiences
- The Customer Experience Panel was engaged throughout 2023 and 2024 and engaged extensively on the drivers and themes causing dissatisfaction and priorities and options for improvements. The options below were discussed iteratively with the Panel, who selected this from a mix of potential options presented to them. The Panel determined that the mix of program inclusions in the initial proposal struck the optimal cost vs service level balance, based on the information they had seen.
- Via engagement on the draft proposal, all AusNet customers had the opportunity to comment on our Customer Experience digital program which was considered by those who commented to represent value-for-money and to focus on the right things.

Resulting from these engagements, AusNet's initial submission included a set of initiatives aimed at addressing key gaps and limitations with our existing systems capabilities and functions. These initiatives consisted of:

- **Customer Portals (includes Customer Portal Consolidation and Major Connections Portal):** Develop our online portal to create a unified access point with one username and password and a single interface. The online portal will improve the ability of our customers to find the information they are searching for and to initiate and monitor connection applications and claim requests.
- **Customer Relationship Management Integration and Data Consolidation:** Consolidating and extending customer data through improved Customer Relationship Management (CRM) functionality. This will provide the systems and functionality to enable recording of additional customer information and enable customer contact details to be consolidated into a single account; it will also provide functionality for capturing and tracking data on customers with specialised needs and vulnerabilities. It will also improve the integration between our various systems and databases to enable more automation and remove or reduce manual process steps.
- **Communication Channel of Choice and Improved Outage Communications (planned and unplanned):** Improving the effectiveness of notifications during outages and allowing customers to select their preferred channel of communication. This will include providing the systems and functionality for AusNet to communicate and disseminate information across different communication channels to reflect differences in customer preferences, information needs and diversity of the customer base. Improvements will also be made

to underlying outage communications systems to improve accuracy and information content for planned and unplanned outages.

- **Advanced Customer Experience:** Tailoring information and customer management to their specific needs, through broader definition of critical and vulnerable customers and creation of broader customer personas. Additionally, expanding the online portals to include advanced functionality such as using AI to improve customer experience and ability for self-service when interacting with AusNet and AusNet's systems.
- **Outage Claims Process Improvements:** Improved process through enabling the systems and functionality to automate connections requests for all customer, including HV customers and embedded generators, and streamline claims processes. The improved process will also enable AusNet to more effectively monitor all customer interactions through various channels and for information to be accessed by AusNet customer service agents to provide insights and information to customers.

The proposed program was reviewed with customers during our EDPR 2027-31 customer engagement panels, with the attendance of the AER. AusNet presented 3 customer experience improvement program options of varying scope, outcomes and cost, with our customer panel recommended progressing the most extensive 'Customer Service Excellence' option to deliver the greatest improvement in customer experience.

The initial proposal expenditure for this program is shown in **Table 4** below. As our customer panel demonstrated strong support for the recommended improvement program and a willingness to pay for the required investments, we did not fully quantify the associated benefits in our initial submission.

Table 4 - Initial Submission Forecast Expenditure for Customer Experience Program (\$'million, real FY24)

Cost item	FY2027	FY2028	FY2029	FY2030	FY2031	Total
Capex	\$9.0m	\$9.0m	\$9.0m	\$4.0m	\$10.0m	\$41.0m
Opex	-	\$0.2m	\$0.4m	\$0.4m	\$0.4m	\$1.4m
Total	\$9.0m	\$9.2m	\$9.4m	\$4.4m	\$10.4m	\$42.4m

1.2. AER Draft Decision Feedback

The AER did not accept AusNet's proposed Customer Experience program. The AER's Draft Decision included an alternative forecast of \$11.3m capex (\$real 2026) and no incremental opex, per **Table 5** below.

Table 5 AER Alternative Forecast Expenditure (\$m, real FY2026)

Cost item	Initial Proposal	AER Alternative	Adjustment
Capex	\$45.3m	\$11.3m	-75%
Opex	\$1.3m	-	-100%

The AER Draft Decision, and associated EMCa consultant report, details two reasons for the adjustment to capex:

- Insufficient justification of the inclusion of all the proposed initiatives nor sufficient evidence to support the assumed scale and scope of each initiative
- NPV is negative, which does not align with the ICT guideline for this type of expenditure

Additionally, the AER's Draft Decision and EMCa's consultant report highlight areas at an overall ICT program level to be addressed in AusNet's revised proposal:

- Business cases provide only brief descriptions and do not include robust evidence to justify the need for each initiative within the proposed scope
- Limited clarity regarding functional requirements, available technologies, and alignment with business needs, suggesting low project maturity
- The approach to cost estimation do not appear to be based on bottom-up cost calculations and are not informed by market-tested sources such as vendor quotations or benchmarked industry pricing

Subsequent to the initial proposal, AusNet identified that it had incorrectly included SaaS implementation costs for its customer engagement program in capex forecasts. The AER highlighted need for this to be addressed in the revised proposal.

2. AusNet's Revised Proposal

In response to the AER's Draft Decision, AusNet has reviewed the Customer Experience program scope, cost estimate basis and quantification of benefits. This section details the approach taken to specifically address the Draft Decision feedback, and the revised proposal changes that have resulted from this review.

2.1. Review of Program Scope

Our revised submission maintains the original scope of work, with additional evidence to support the scale and maturity of each initiative, along with how each initiative addresses the current limitations of our customer systems. Acknowledging the AER's Draft Decision feedback, additional detail has been provided regarding the scope and scale of each initiative, and its direct tie to customer focused outcomes. This detail is provided in **Table 6** below.

This revised proposal scope has been reconfirmed with our customer consultative committee and tested at our 6th November "all-in" forum with all EDPR panel members, to ensure continued alignment with customer expectations and that the deliverables remain relevant and desired.

Table 6 – Revised Proposal Customer Experience Program Scope

Initiative	Scope (<i>unchanged</i>)	Scope Elaboration & Customer Focused Outcomes
Customer portal consolidation	<p>This initiative will deliver a single, unified platform for AusNet customers to manage their services through one access point and single sign-on, providing a streamlined and consistent experience.</p> <p>AusNet intends to consolidate six portals currently in use for different functions, simplifying the currently fragmented customer journey.</p> <ul style="list-style-type: none"> • MyHomeEnergy • MDPP • Energy Connect • Customer Portal • ASP Portal • Public Lighting Portal 	<p>During the course of the EDPR Customer Experience Panel engagement and specifically during the Connections related discussions in September 2023, the recurring theme of discussion was surrounding the AusNet website and confusion with multiple portal (authenticated) experiences for users to perform different tasks for different processes across the same accounts and services. It was identified that these had been built individually and over multiple projects, resulting in a confusing and disconnected customer experience, resulting in a significant amount of customer time wasted trying to find, register and raise the correct request when engaging AusNet for services.</p> <p>A strategic direction was made to move all authenticated (logged-in) experiences into a single, unified platform for customers, regardless of which team needs to respond or action the requests. This will additionally improve self-service across our website, saving customers time enquiring about what to raise or where to go prior to engaging with us, and aligning us with other distributors and standard customer service expectations.</p>
Advanced customer experience	<p>Enhance current contact centre capability with intelligent, automated tools (primarily AI agents and chatbot functionality) to deliver a tailored customer communication experience, enable better self-service, and improve responsiveness during outages.</p> <p>While not the primary driver, this initiative is also expected to deliver operational efficiencies through reduced call volumes to AusNet call centres.</p>	<p>The future of customer experience (including AI) was discussed during customer workshops. Customers saw this as an important future "customer self-service tool" and were supportive of AusNet investing in AI support but stressed the importance of maintaining traditional customer service channels.</p> <p>Customers are seeing these tools in action across other service providers and industries and expect AusNet to keep pace with advancing technology and standard levels of service (not gold-plated).</p> <p>Web chat and chatbots are now a standard service offering across wider industries and offer a digital mode of engagement that customers choose to engage on over traditional inbound phone methods and specific cohorts of customers expect it to be available. It is also a service offering that offers an option to support scale up during weather events and could support customers obtaining information they need without having to queue during an influx of calls.</p> <p>As some of these technologies are still evolving and will continue to evolve over time, this initiative was scoped at a capability level that targeted establishing a standard</p>

		<p>chatbot functionality on the AusNet website for customers, rather than a fully-fledged and automated AI/LLM solution that would use evolving or cutting-edge, but potentially unknown AI technology to inform the estimates.</p> <p>The delivery was sequenced towards the end of the regulatory period (see Figure 1: Customer Experience Initiatives Dependency Mapping), which will allow time to refine the scope to a standard service offering that is in-line with customer expectations and provides value for money.</p>
Unplanned outage communication improvements	<p>Improve the existing outage communication solution to provide more accurate unplanned outage notification and support multi-site / multi-party notification for customers.</p> <p>The initiative will enhance the quality of unplanned customer notifications by including additional details such as the cause of outages, estimated restoration timelines, and any delays.</p>	<p>The customer pain points and drivers for dissatisfaction during unplanned outages were presented to the Customer Experience Panel in November 2023 along with various options for improvements. Discussions covered the following items;</p> <ul style="list-style-type: none"> • Reliability & duration of time off supply – this was a consistent pain point, however, to avoid any overlap it was fed back to the Electricity Availability Panel for consideration of improvement recommendations and descope from this program. • Communications and accuracy of notifications – requirements were captured to form the unplanned outage communications improvements, with increased accuracy saving customers time and confusion during events <ul style="list-style-type: none"> ◦ Customers want the ability to nominate other members of their household who are not the retail account holder to be informed of the status and progress of power restoration when an unplanned outage occurs. Currently communications only default to send to the retailer provided account holder. ◦ Customers with more than one site want the ability and flexibility to group communications for multiple sites and have them sent to the same contact, or different contacts depending on the site for unplanned outage notifications and identify which sites are currently impacted. ◦ Customers want to be notified when power will be restored and if restoration is delayed, why there is a delay and the new, updated estimated time of restoration so they can plan contingencies during severe weather events and prolonged power outages.
Uplift planned outages comms	<p>To support the transition away from paper-based planned outage notifications in the future, this initiative will consolidate all SMS communications functionality within AusNet's CRM and retire the current legacy messaging solution.</p> <p>Scope also includes similar notification quality benefits as above, but for planned outage communications such as additional information on updates to customers where planned outage exceeds estimated restoration timeline, what upgrades/maintenance AusNet is performing and why.</p>	<p>Customer pain points and drivers for dissatisfaction both before and during planned outages were presented to the Customer Experience Panel in May 2023 along with various options for improvements. This was jointly presented to the Electricity Availability Panel in October 2023 to ensure any initiatives or scope was split and directed to the correct area to address. Discussions covered the following items;</p> <ul style="list-style-type: none"> • Frequency of planned outages & duration of time off supply – similar to unplanned outages, this was a consistent pain point and directed to the Electricity Availability Panel for consideration. • Communications and accuracy of notifications – requirements were captured to form the planned outage communications improvements. Items to address were similar to unplanned with some additional scope: <ul style="list-style-type: none"> ◦ Pain points detailed for unplanned improvements also applied to planned in relation to notifying members of households, more than one site and notifications of delays or overruns to planned time off supply. ◦ Customers also want to be notified of restoration even if it is sooner than expected as they may have made alternate arrangements for the day and would like to accurately know when they can return home

		<p>(especially if power is restored before the planned end time).</p> <ul style="list-style-type: none"> Improved visibility on the reason for a planned outage embedded into notifications to be able to understand if it was upgrade work, customer requested work, maintenance work, or other reasons.
Customer notification accuracy	<p>Improving the real-time accuracy of outage information through enhancing integration and data management between AusNet's ADMS, CRM and supporting systems.</p> <p>Additionally, scope will address data integrity issues, such as incorrectly mapped NMLs, missing contact details, and limitations in life support notifications to improve overall reliability of customer notifications.</p>	<p>This initiative focuses on supporting data, processes and information that feed the systems and customer notifications.</p> <p>Panel discussions for planned and unplanned deep dives elaborated on how customer view of accurate communications is not limited to the messages, letters or emails being sent to the customer, but the timing of the send, audience of the send, content of the templates and whether the information provided is useful.</p> <p>Segmentation of planned jobs requires ongoing and accurate identification of impacted customers, which relies on accurate mapping of sites and network data to plan impacts and trigger supporting communications at the right time for the right customers.</p>
Identify critical and vulnerable customers	<p>Expand vulnerable customer categorisation beyond life support to include groups such as those experiencing domestic violence, financial hardship and monitoring of critical services like aged care facilities and medical clinics.</p> <p>To enable this expanded categorisation, enhancements to the integration between AusNet's ERP and CRM systems are required. These improvements will ensure critical and vulnerable customer data is accurately captured, consistently maintained, and aligned across the business.</p>	<p>Customer research has shown that six percent of customers within AusNet's distribution network identify as needing assistance with core activities and one in every three customers have a chronic health condition (but may or may not identify as having a disability).</p> <p>Reviews of our existing life support data shows that these research percentages identified higher levels of flagged vulnerable circumstances by customers than levels of life support registered sites on the network. Barriers to entry (including registration and medical confirmation process) are important but may hinder customers who are experiencing vulnerable circumstances from registering or self-identifying when interacting with AusNet provided services and staff. Providing the ability for these groups or segments of customers to self-identify and be flagged in our system would allow AusNet staff to provide personalised services relevant to the customer circumstances.</p> <p>Multiple instances and examples of use cases were provided based on historical call reviews. Examples were discussed during the Customer Experience Panel engagement and formed the scope.</p> <ul style="list-style-type: none"> Ability to flag at a customer (self-identified) or a site level segments of vulnerable customers Customers experiencing domestic violence who have purposefully removed their contact information from retailer systems to reduce risk wanting to register contact numbers directly with AusNet and confidentially, so they are able to receive outage and account related communications Customers experiencing financial hardship looking for assistance with grid connection or solar application fees or supply charges Aged care facilities and other clinics or sites that may not qualify as life support or sensitive load but should have additional levels of support and check-ins or enhanced communications for residents during prolonged power outages. <p>This combined with the social and moral imperative to support customers with their energy services while they are experiencing vulnerable circumstances led to support for the initiative from customers and the customer panel to provide an equitable level of service.</p>

Customer data consolidation	<p>Consolidate AusNet's multiple CRM instances and unify customer data into a single source of truth to create a single view of customer profiles.</p> <p>Scope of work includes implementation of a master data management solution to reconcile discrepancies, maintain data integrity, and ensure traceability across all sources to accurately capture key customer details such as contact information, needs, PII categorisation and vulnerability status.</p>	<p>Historically, line of service-based system builds to meet specific use cases without any single CRM have resulted in disparate systems containing different sets of customer related data from multiple sources (including but not limited to retailer B2B, direct customer interactions and other source capture from field crews, service providers, developers, builders and RECs for example).</p> <p>Over time, this has resulted in multiple records for the same customer where they have interacted with us in different ways, resulting in confusion and additional time customers have spent waiting for AusNet to review their various records and interactions across each service line and system and respond appropriately to their enquiries and calls. Ongoing pain points and feedback themed from customer complaints and enquiries surround hand-offs between teams to obtain responses and a standard service expectation that AusNet as a whole entity would have a "single view" of their customer account and all related interactions as this is typically seen in other industries and contact centre settings. This initiative was scoped to deliver reconciliation of the data discrepancies with a view to provide critical information relevant to the customer accounts and distribution services provided, to provide this targeted "single view".</p> <p>Fields and data that were not relevant to distribution or not standard service offerings that customers would expect to be logged on their account (contact details, communications, historical interactions, PII (where necessary) and segmentation details for personalisation) were not scoped into the single view, so as to focus on resolving customer related data problems and avoid incremental scope for holistic, transmission or asset management related data discrepancies.</p>
Extended customer personas	<p>Implement structured tagging and segmentation to differentiate customer types to enhanced tailored communications and service response for major customers.</p> <p>For example, a multi-site customer will be able to choose to receive notifications at both the account manager and site level, with additional communications tailored to each location to include relevant, site-specific information.</p>	<p>Advocacy for additional support for major customers is increasing. This is significant due to the nature of personalised service required to support businesses and high consumers of energy resources who typically have multiple sites within our distribution network and require additional levels of service to differentiate between sites without cognitive overload or repetitive task handling via standard inbound service channels. Approximately 32,000 major customers exist on our distribution network, covering ~108,000 sites (NMLs), and the standard residential single-site framework that currently exists in our systems does not support a multi-site account-wide level of service that is expected by these larger businesses and consumers.</p> <p>Major customer service improvement was raised as a recurring theme during all the Customer Experience Panel discussions, and the following outcomes were raised as expected for major customers by panel advocates.</p> <ul style="list-style-type: none"> • Customer expectations from other service-based companies across industry have segmented approaches to personalise communications and services and differentiate between residential and commercial or business customers. • Feedback from Major customers over time has consistently expressed a desire for grouped communications (all relevant interactions) at an account level, in addition to individual outage communications at a site level with premise identifiers so it's easier for businesses to plan for outages and understand account wide multi-premise adjustments to their distribution services. <p>These customers consistently provide ongoing feedback and this was reiterated by major customer advocates in the</p>

		customer experience panel discussions, that they require more advanced notice than residential customers to be able to coordinate and plan staff movements if they need to close for the day, plan and obtain back-up generators or find alternative fridge arrangements in order to stay open for the day if they are impacted by planned works. This personalised level of service and communications will reduce the impact to these customers and allow them to plan and reduce the financial impact and effort on the business staff when responding to power interruptions.
Communication channel of choice	<p>Enable customers to select their preferred communication channel (i.e. Facebook, WhatsApp, etc). for interacting or receiving updates from AusNet through the implementation of multi-channel communication systems. Customers are currently redirected to contact the call centre when contacting AusNet through social media channels which may not be their preferred method of contact.</p> <p>Initiative will also provide a platform for customers to opt in or out of communication services, such as physical letters, and nominate a preferred digital method of contact.</p>	<p>This initiative stems from ongoing customer feedback and increased levels of engagement over time via non-traditional channels such as social media. AusNet's customer demographics have changed to more digitally savvy and have preferences to interact via channels besides a standard inbound phone call. Increased levels of messaging and engagement with Facebook (especially during weather events), shows demand for social interaction offerings as a service.</p> <p>Similar to AI and chatbot related initiatives, customers see multi-channel service offerings as standard services provided in other industries and apply these expectations to energy when they need to interact with AusNet. Some customers do not want to pick up the phone and call as they are busy or work during our call line's customer service opening hours and would prefer to interact in an asynchronous manner which is supported on these digital and multi-channel contact centre offerings.</p> <p>This initiative also includes the scope and platform required to enable improvements to the existing preference management process for planned outage notifications discussed in the October 2023 Customer Experience Panel session. Digital communications were discussed, including the ability to digitally nominate their preference (currently limited to phone operator preference updates, requiring the customer to spend time calling AusNet) and self-select out of letters and paper-based notifications for regulatory-based outage notifications which was a priority for customers due to the increased convenience and the time-savings.</p>
Major connections portal	<p>Develop a connection portal for major customers to allow these customers to initiate/monitor connection applications and claims requests. AusNet has successfully delivered a similar portal for small and residential customers under the RICC program. However, there is currently no equivalent solution for C&I customers, whose more complex requirements often involve planning, construction and potential network implications.</p> <p>Providing a dedicated platform for major customers and engaging them early on in their connection process, is far more efficient for both parties than addressing requirements mid-process, which often leads to project delays and potential financial impacts.</p>	<p>The connections related customer experience panel discussion in September 2023 both uncovered and confirmed pain points that are unique to major and larger C&I customers who are connecting to the network.</p> <p>The process involves manual emails and assessments of project work. This results in lack of visibility and tracking for customers on the status of their projects, when timeliness of the connection and project is higher value to them as they are connecting load and generation and lost time during connection trying to interact with project managers can in some instances can equate to lost revenue for their business.</p> <p>As the impact of connection delays differs for various commercial & industrial (C&I) customers due to the nature of their businesses and varying levels of revenue, this can make it difficult to quantify, so average values of the cost of project delays were applied here. The streamlined application process will reduce confusion for these C&I customers as well as time spent, resulting in reduced cost to connect due to reduced project delays.</p>
CRM integrations	Enhance AusNet's CRM through deeper integrations with core operational systems, creating a more connected and efficient	The CRM integrations initiative was scoped based on an assessment of CRM work done to date to integrate distribution and B2B provided customer data from retailers, combined with additional data sources of customer related

	<p>experience. These integrations will provide customer-level data such as hazard details, geospatial information, planned outage visibility, and vegetation work photos directly within the CRM.</p> <p>This will allow service teams to access relevant and accurate information in one place, reducing the need to switch between systems and improving service times due to accurate and readily available customer data.</p>	<p>data that would be required to properly service customers across all of AusNet's distribution operations. Outstanding integration work identified in the gap analysis as still required included;</p> <ul style="list-style-type: none"> • Hazard level details • Site access details (from retailer) • Geospatial information needed to identify assets from customer location-based enquiries • Planned outage works visibility • Vegetation and field crew work or photos <p>This is a core dependency to enable customer data consolidation and extended customer personas delivery.</p> <p>Surfacing this information will improve speed to answer customer enquiries (across all channels) and reduce time spent waiting for answers to enquiries and complaints for customers which was discussed during the panel sessions as requiring an uplift due to delayed responses while checking other systems or waiting for responses from internal teams or external service providers.</p>
Outage claims process improvements	<p>Build a dedicated platform to enable AusNet to manage customer outage claims. The platform would also support the capability to monitor customer interactions across all channels and provide customer service agents with accessible insights to support customers with their claims.</p> <p>AusNet currently has no dedicated systems for managing outage claims, with current processes being highly reactive and manual.</p> <p>Implementing a dedicated digital platform will streamline the claims management process, improve resolution times, and deliver better customer outcomes through a structured, efficient, and transparent process.</p>	<p>AusNet has completed uplifts and optimisations to the standard claim process in the customer commitments made in the current regulatory period, however multiple large weather events during 2021 and 2024 have established a need for AusNet to not only manage these standard claims applications and payments but also to manage prolonged power outage payments on behalf of DEECA.</p> <p>As we are a distributor and not a retailer, the established processes and payments have been reactive and consist of high manual workload, resulting in delays to customer applications being reviewed and payments landing in bank accounts during critical times where they need payments the most.</p> <p>The value to customers of AusNet being properly equipped to review, manage and process quickly payments to customers while they are experiencing prolonged power outages and need support, does not only increase speed to deliver for customers experiencing vulnerable circumstances (due to the power outages), but saves them valuable time following up on their applications when their devices are running out of power, when they may be trying to clean up storm damage, and when they need to arrange alternate accommodation or replace food supplies. The value of speed to deliver on these payments to eligible customer's bank accounts during these times, without them needing to spend time contacting us cannot be understated.</p>

2.2. Program Delivery and Dependencies

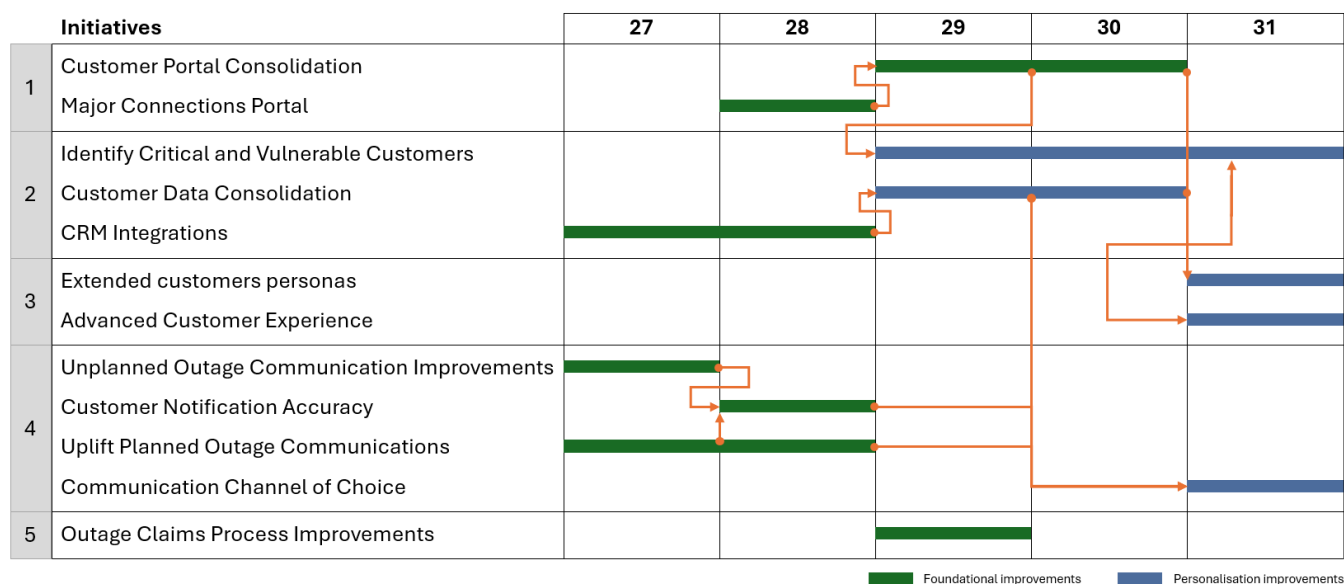
AusNet's proposed Customer Experience roadmap is structured into two key phases:

- **Foundational Improvements:** Our initial priority is to remediate and strengthen core communication channels and customer touchpoints. This involves addressing existing gaps and enhancing the quality, consistency, and accessibility of these interactions to ensure they meet the fundamental needs of our customers.
- **Personalisation Improvements:** Once these essential capabilities are stabilised, AusNet will then shift focus to delivering differentiated experiences through personalisation, enabling deeper engagement and tailored interactions across the customer journey.

The value of Customer Experience program lies in the interdependency between initiatives, as depicted in the chart below. Each set of projects builds upon the previous, enabling data driven personalisation to customer touchpoints and communications. This is detailed below and shown in **Figure 1**.

- **Workstream ID 1: Unifying the customer interface** – Initiatives establish a single, streamlined interface for customers to interact with AusNet for all needs and services. The consolidation of portals will lay the foundation for projects to further streamline and personalise the customer journey through a consistent platform for engagement.
- **Workstream ID 2: Strengthening the data backbone** – Concurrently, to support a unified portal and effective customer service, AusNet's underlying data needs to be unified, clean and integrated across all systems.
- **Workstream ID 3: Personalising the experience** – With a clean and connected data foundation, AusNet is positioned to personalise the customer experience through AI-driven insights and persona modelling to reflect complexed real-world customer relationships.
- **Workstream ID 4: Enhancing communication and engagement** – Ensuring customer communication is both relevant, accurate and timely through existing capabilities is the first step in the planned initiatives. Once this foundation is established, personalisation to enable engagement with customers through their preferred channels will follow.
- **Workstream ID 5: Closing the loop with service excellence** – Improvements to outage claims processes are largely standalone and do not rely on other programs for dependencies.

Figure 1 – Customer Experience Initiatives Dependency Mapping



2.3. Revalidation of Program Initiative Cost Estimates

In response to the AER's feedback regarding referenceable cost estimates, AusNet has engaged our Customer Experience delivery partner (IBM) to provide revalidated cost assessments for each initiative, reflecting updated requirements and matured scope.

IBM has detailed knowledge of AusNet's in-flight customer initiatives, systems architecture, integrations, dependencies, and operational constraints, gained through delivering AusNet's customer programs over the past two years (i.e. outage tracker resilience, EnergyConnect portal, etc). This expertise positions IBM to provide accurate and reliable project cost estimates for AusNet.

Table 7 provides the revised cost estimates for each program initiative. AusNet has used the "Cost for Specific Scope" estimate provided by IBM for each initiative, adjusted to \$real 2024 cost basis, and AusNet Internal Program Management and Architecture costs have been added. As a Software-as-a-Service (SaaS) solution, configuration of AusNet's CRM platform has been treated as project implementation opex per International Financial Reporting Interpretations Committee (IFRIC) guidance, with a 20% apportionment of total cost as per recent customer program benchmarks. Opex licensing costs are AusNet estimates for incremental usage based on vendor contracts, and all costs in this program are fully allocated to the Distribution line of business.

Table 7 – Revised Program Costs (\$real 2024)

Initiative	Capex	Opex - Implementation	Opex - Licensing	Notes
Customer portal consolidation	(C-I-C)	(C-I-C)	(C-I-C)	AusNet has taken 80% of (C-I-C) cost as it is estimated that 20% of the project work will have been completed before the next EDPR period
Advanced customer experience	(C-I-C)	(C-I-C)	(C-I-C)	(C-I-C) cost estimate
Unplanned outage communication improvements	(C-I-C)	(C-I-C)	(C-I-C)	(C-I-C) cost estimate
Uplift planned outages comms	(C-I-C)	(C-I-C)	(C-I-C)	(C-I-C) cost estimate
Customer notification accuracy	(C-I-C)	(C-I-C)	(C-I-C)	(C-I-C) cost estimate
Identify critical and vulnerable customers	(C-I-C)	(C-I-C)	(C-I-C)	(C-I-C) cost estimate
Customer data consolidation	(C-I-C)	(C-I-C)	(C-I-C)	(C-I-C) cost estimate
Extended customer personas	(C-I-C)	(C-I-C)	(C-I-C)	(C-I-C) cost estimate
Communication channel of choice	(C-I-C)	(C-I-C)	(C-I-C)	(C-I-C) cost estimate
Major connections portal	(C-I-C)	(C-I-C)	(C-I-C)	(C-I-C) cost estimate
CRM integrations	(C-I-C)	(C-I-C)	(C-I-C)	(C-I-C) cost estimate
Outage claims process improvements	(C-I-C)	(C-I-C)	(C-I-C)	(C-I-C) cost estimate
Total	\$30.2m	\$7.6m	\$1.3m	

2.4. Quantification of Benefits

As detailed in Section 1.1, in our initial proposal AusNet did not fully quantify benefits from the customer experience program as our customer panel had expressed strong support and willingness to pay. Acknowledging the AER's Draft Decision feedback, in our revised proposal AusNet has completed a full assessment of anticipated benefits to appropriately justify our proposal.

Benefits from our initiatives expected to be achieved across each of the workstreams (as detailed in Section 2.2) are:

- Unifying the customer interface:** Expected benefits from unified portals simplifies access and reduces fragmentation across the customer journey. Customers will spend significantly less time searching for the information they need or navigating complex application processes, which in turn reduces the volume of service inquiries, enabling AusNet to respond more efficiently and focus on delivering support on higher value customer queries.
- Strengthening the data backbone:** Benefits from these initiatives ensures that customer records are accurate, complete and integrated across all customer platforms. Establishing a single source of truth for customer data has downstream benefits, allowing for all other integrated systems and processes to operate accurately and efficiently. Delivering data improvements to support critical and vulnerable customers primarily provides social and community benefits, through ensuring equitable access to essential services for those most at risk. While direct operational or financial benefits may be limited, this initiative reinforces AusNet's core responsibility to safeguard vulnerable customers.
- Personalising the experience:** Based on feedback from the EDPR customer experience sub-forums, extended customer personas will allow AusNet to serve diverse ranges of customer types such as installers, residential users, farms, schools, complex utilities and major customers, by tailoring the experience appropriately. These

benefits, along with those realised from implementing automation/AI in customer touchpoints, will bring time saving efficiency benefits to both customers and AusNet.

- **Enhancing communication and engagement:** Improving the effectiveness and accuracy of notifications during outages and allowing customers to select their preferred channel of communication allows customers to better understand and prepare themselves for network downtimes. With more information, customers are able to take the necessary actions to avoid monetary or personal loss without contacting AusNet for additional assistance.
- **Closing the loop with service excellence:** Ensuring that customers who require resolution, have a simple and streamlined process to initiate and manage claims and service processes, reducing customer inquiries and AusNet staff needed to support.

Refer AusNet's Revised Proposal Digital Programs NPV model for the full quantification of Customer Experience program benefits.

3. Evaluation of Options

Consistent with the AER's "Non-network ICT capex assessment approach" of November 2019, as part of AusNet's revised proposal we have evaluated credible options for the Field Enablement program. Recognising the AER's Draft Decision feedback, we have focused options analysis on alternate degrees of scale and cope within the program.

We have identified two alternate Customer Experience program scope options that each target the needs expressed by our customers. These options are detailed in **Table 5** below.

Table 8 – Options summary

OPTION	SUMMARY
Option 1: Implement foundational customer service improvements	<p>Partially execute the full scope of proposed initiatives, only implementing foundational improvement projects detailed in Section 2.2 Diagram 1, to address capability gaps within AusNet's core customer communication capabilities. This option includes the following initiatives:</p> <ul style="list-style-type: none"> • Customer portal consolidation • Major connects portal • CRM integrations • Unplanned outage communication improvements • Customer notification accuracy • Uplift planned outage communications • Outage claims process improvements
Option 2: Implement foundational and personalised customer experience improvements	<p>Execute the full scope of initiatives, implementing foundational and personalisation improvements detailed in Section 2.2. This option will deliver all core communication capabilities detailed in Option 1 and also includes the following to provide a tailored experience for our customers:</p> <ul style="list-style-type: none"> • Identify critical and vulnerable customers • Customer data consolidation • Extend customer personas • Advanced customer experience • Communication channel of choice <p>We have received strong support for this full program through our EDPR customer forums, with our customers panel expressing readiness to accommodate cost increases required.</p>

3.1. Option 1 – Foundational Customer Service Improvements

Option 1 represents AusNet's reduced scope alternative for our customer program, focusing exclusively on uplifting core communication channels and essential customer touchpoints. Based on the initiative cost estimates detailed in Section 2.3, the cost of this option is \$21.3m capex, \$5.3m of implementation opex and \$1.3m of opex for licencing and support, as shown in **Table 9** below.

This program delivers an NPV of \$4.9m. This option is not recommended as it only addresses the capability gaps within core customer communication capabilities. AusNet's commitment to customers extends beyond delivering core expectations, to further provide an improved customer experience through personalisation and meaningful engagement.

Table 9 – Forecast Expenditure for Option 1 (\$'million, real FY24)

Cost item	FY27	FY28	FY29	FY30	FY31	Total
Capex (implementation)	\$4.3m	\$6.7m	\$6.3m	\$4.0m	-	\$21.3m
Opex (implementation)	\$1.1m	\$1.7m	\$1.6m	\$1.0m	-	\$5.3m
Opex (Licencing and Support)	\$0.0m	\$0.1m	\$0.4m	\$0.4m	\$0.4m	\$1.3m
Total expenditure	\$5.4m	\$8.4m	\$8.3m	\$5.5m	\$0.4m	\$27.9m
Net Present Value						\$4.9m

3.2. Option 2 – Foundational and Personalised Customer Experience Improvements

This option includes the full scope of AusNet's proposed Customer Experience improvements. AusNet will first implement foundational capabilities to address core customer needs in the first half of the EDPR period and then focus on personalisation initiatives to improve customer experience in the second half.

The cost of this option is \$30.2m capex, \$7.6m of implementation opex and \$1.3m of ongoing opex for licencing and support, as shown in **Table 10** below.

This option delivers NPV of \$7.4m. Option 2 is AusNet's recommended option and captures all requirements identified through our reviews of key gaps in our customer capability, whilst addressing priorities and recommendations provided by our customer consultative committee. This option also provides the highest positive NPV of the two options considered.

Table 10 – Forecast Expenditure for Option 2 (\$'million, real FY24)

Cost item	FY27	FY28	FY29	FY30	FY31	Total
Capex (implementation)	\$4.3m	\$6.7m	\$8.4m	\$5.8m	\$5.1m	\$30.2m
Opex (implementation)	\$1.1m	\$1.7m	\$2.1m	\$1.4m	\$1.3m	\$7.6m
Opex (Licencing and Support)	-	\$0.0m	\$0.4m	\$0.4m	\$0.4m	\$1.3m
Total expenditure	\$5.4m	\$8.4m	\$10.9m	\$7.6m	\$6.8m	\$39.1m
Net Present Value						\$7.4m

3.3. Preferred Option

Through analysis and feedback from our EDPR 2027-31 Customer Engagement Forum, we have identified that customer expectations are growing each year, with a higher standard of service and personalisation expected than just basic service delivery. Our customer panel has expressed clear support for the preferred solution, including support for the associated cost.

Of the options evaluated, Option 2 provides the highest NPV. This option not only addresses the foundational and basic level of requirements expected from our customers but enables a more personalised and seamless experience across the customer journey to deliver long-term value through improved service quality. Based on this assessment, as summaries in **Table 11** below, Option 2 is recommended.

Recognising the AER's Draft Decision feedback regarding business opex benefits obviating the need to incremental expenditure, AusNet is not proposing a step change for the recurrent licencing and support opex.

Table 11 – Options analysis summary (\$'000s, real FY24)

Criteria	Resubmission Option 1	Resubmission Option 2	Initial proposal
NPV (\$'000, real FY24)	\$4,863	\$7,420	-\$12,738
Capex (\$'000, real FY24)	\$21,256	\$30,234	\$41,000
Opex Implementation (\$'000, real FY24)	\$5,313	\$7,559	-
Opex Licencing & Support (\$'000, real FY24)	\$1,320	\$1,320	-\$1,440
Technically feasible	✓	✓	
Addresses identified needs	✗	✓	
Deliverable within timeframe	✓	✓	
Delivery risk	Low	Low	
Preferred option	✗	✓	

AusNet

AusNet

Level 31
2 Southbank Boulevard
Southbank VIC 3006

T 1300 360 795

Locked Bag 14051
Melbourne City Mail Centre
Melbourne VIC 8001

Follow us on

 @AusNet.Energy

 @AusNet

ausnet.com.au

