

**ID18 Internet Websites
Consolidation & Replacement
Preliminary Gate 2 Business Case**

**2020-25
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Preliminary Gate 2 Business Case

ID18 Internet Websites Consolidation & Replacement



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1 EXECUTIVE SUMMARY

1.1. Background & Business Problem

The current Energex and Ergon Energy websites were implemented in 2011 and are hosted under a managed service arrangement [REDACTED]. The websites are critical for customer engagement and interaction across an array of distribution business functions.

Key capabilities and information provided through the websites include:

- Contact details for reporting network outages and fallen powerlines
- Information on planned and unplanned outages
- Customer portal access for managing connections and other requests such as Solar PV
- Electrical contractor and supplier portals access (including training material for contractors)
- Information on electrical safety and related educational material
- Information for managing energy consumption and accessing demand management incentive schemes
- General information about each of the distributors. e.g. Organisation structures, objectives, governance and company reporting

At the commencement of the planned investment, the Energex and Ergon Energy websites will have been in operation for over a decade. [REDACTED]

[REDACTED] While information and content continue to be maintained on the websites, a more contemporary solution is required to ensure ongoing supportability and sustainability of the websites and to meet evolving customer expectations and leverage opportunities to integrate new technologies.

1.2. Investment Overview

This business case proposes the replacement and consolidation of the current Energex, Ergon Energy and Energy Queensland websites and associated assets. This will facilitate consistent communication, support the adoption of state-wide business processes and enable the two Energy Queensland distributors to mutually benefit from future developments of a single back-end solution.

The key objectives of the initiative are:

- Ensure the ongoing supportability, sustainability and security of core business processes covering the customer service domain of Energex and Ergon Energy.
- Implement contemporary, robust and engaging public websites that meet customer expectations in terms of accessibility, usability, engaging content and functionality.
- Support consistent communication from Energy Queensland to customers and contractors across the Energex and Ergon Energy networks.
- Leverage the opportunity associated with platform consolidation and replacement to support planned operational productivity improvements.

1.3. Options Analysis

Three options are considered in this business case:

- Option 1 – Proceed with the replacement and consolidation of the current website assets (preferred)
- Option 2 – Replace the existing individual websites for each distributor
- Option 3 – Do minimal

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“Option 1 - Proceed with the replacement and consolidation of the current website assets” is the preferred option, as it meets all the business case objectives, it is aligned with Energy Queensland’s strategic objectives and is consistent with Energex and Ergon Energy’s obligations under the National Electricity Rules. This option also supports realisation of Energy Queensland’s forecast 10% reduction in indirect costs.

“Option 2 - Replace the existing individual websites for each distributor” is viable but requires duplication of costs across the two distributors, with the continued need to maintain alignment as process improvements are implemented.

“Option 3 - Do minimal” defers renewal of the companies’ legacy internet websites. It therefore represents a material risk to the companies’ continued delivery of their customer service obligations.

1.4. Financial Summary¹

1.4.1 Energex Option Comparison

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1.4.2 Ergon Energy Option Comparison

A large black rectangular redaction box covering the content of the Ergon Energy Option Comparison table.

1.4.3 Energex Expenditure Summary (Option 1 – Preferred)

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1.4.4 Ergon Energy Expenditure Summary (Option 1 – Preferred)

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¹ Bracketed figures indicate negative values.

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1.5. Investment Benefits

The preferred option delivers the benefit of sustaining the internet websites and associated customer service functions.

The investment is also a critical enabler of Energy Queensland's planned productivity improvements, which result in a forecast 10% reduction in indirect costs. The consolidation of internet website assets into a single platform while maintaining separate brands and domains supports this productivity improvement through benefits including:

- Improved ability to address customer enquiries via the relevant web channel, thereby reducing the level of agent-based customer interactions; and
- Reduction of effort associated with maintaining and supporting separate website solutions including content administration and approvals, search engine optimisation, accessibility compliance and other activities.

1.6. Investment Risks

1.7. Customer Focus

The world of digital customer experience is one of constant and rapid change. As customer expectations increase in line with technology developments, it is vital that Energy Queensland websites and associated functionalities keep pace. The proposed investment will enable the web channel to incorporate relevant web technology changes, to support improved online customer interactions including content and functionality tailored to individual customer preferences, behaviours and needs to be defined by the current segmentation, persona and journey mapping work currently underway in the organisation.

As well as optimal customer experiences, economies of scale will be achieved through deployment of shared as well as unique digital content and functionality assets on each website drawn from a single platform to provide more relevant, reliable and up-to-date information on service requests, outages, safety and energy consumption, as well as improved flexibility to log and manage requests online and integration with other channels.

2. INVESTMENT OVERVIEW

2.1. Background and History

The current Energex and Ergon Energy websites were designed and implemented in 2011 with designs updated in 2016 and 2014 respectively and are hosted under a managed service arrangement [REDACTED]

[REDACTED] The websites are critical for customer engagement and interaction across an array of distribution business functions.

Key capabilities and information provided through the websites include:

- Contact details for reporting network outages and fallen powerlines
- Information on planned and unplanned outages
- Customer portal access for managing connections and other requests such as Solar PV
- Electrical contractor and supplier portals access (including training material, forms, manual and technical documents for contractors)
- Information on electrical safety and related educational material
- Information for managing energy consumption and accessing demand management incentive schemes
- General information about each of the distributors. e.g. Organisation structures, objectives, governance and company reporting

While the distributors use a common technology set [REDACTED], the websites remain separate and require independent administration and integration with back-end systems.

2.2. Business Problem and Rationale

At the commencement of the planned investment, the Energex and Ergon Energy websites will have been in operation for over a decade. [REDACTED]

[REDACTED] While ongoing content and information improvements are part of EQLs regular websites program of work, predicted developments in Voice, Data, IoT, Personalisation / Customisation, Machine Learning and Natural Language technologies, Automated / Triggered Communications and Testing and Optimisation as well as other technologies related to websites mean substantial increases in customers' expectations of their digital experience as well as opportunities for efficiency gains.

The collection and storage of behavioural based customer data, and opportunities provided by data-driven automated communications via the web and other channels, will allow delivery of a more customised/personalised web experience that is also aligned to the omni-channel customer experience strategy. This gives rise to increased customer satisfaction and in turn loyalty and advocacy, as well as improved energy management education and the promotion of desired behaviours.

Associated with the change from desktop to mobile as the primary communications device, customers are increasingly turning to voice-activated search through digital assistants such as Google Home, Apple's Siri, Microsoft's Cortana and Amazon's Alexa. Integration with these devices and platforms will allow customers to use voice interaction to retrieve content relating to outages, service requests and general information, thus meeting customers' service expectations while reducing call volumes through traditional channels.

A more contemporary solution for all three websites is required for ongoing supportability and sustainability of the websites and to meet evolving customer expectations and leverage opportunities to integrate new technologies thus shaping desired behaviours. Within the next 5 years, major redesign and redevelopments of all three websites will be required to support optimal customer experience, branding developments and a contemporary outlook.

Ongoing Energy QLD merger activities have meant that many business processes and subsequently website content and functionality have reached a point where they are able to be aligned. There is substantial

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potential for increased effectiveness in messaging and content from A/B testing and optimisation technology developments. There is also the potential to further improve customer experiences through the implementation of web-based chat, provided the technology is accompanied by a well-researched taxonomy and relevant content.

As part of the websites redevelopment, placing the digital assets of Energy Queensland, Energex and Ergon Energy websites into a single platform and associated content consolidation, while maintaining the necessary distributor-specific branding and content will enable efficient administration through elimination of duplication and the ability to drive future developments in a coordinated manner. This will also improve customers' online Search experience due to the reduction in duplicate content currently displayed across the sites, which is penalised [REDACTED] in search engine results pages.

The ongoing user-centred approach towards digital design, user interface and content decisions will ensure the digital experience is seamless, intuitive and customer-led, thus offering increased customer satisfaction, reduced complaints and faster online task completion without the need for reference to Energy Queensland's contact centres.

This business case proposes a User-experience-led replacement and consolidation of the current Energex, Ergon Energy and Energy Queensland websites and assets, along with a wholesale refresh of website content and implementation of new or reworked functionality, accompanying data, testing and optimisation and personalisation implementations and identification of shared and unique content and website assets.

A common back-end with the ability to tag content as shared/unique will enable the appropriate information to be presented to customers through a DNSP-specific web page. Current duplication of content between the websites and its associated inefficiencies in business processes will be abolished, content will be upgraded, and the brands' character will be preserved. Content will also be tagged according to other criteria such as identified user characteristics, needs, and preferred devices, offering opportunities for customisation and personalisation. This will facilitate consistent communication, support the adoption of state-wide business processes, provide a more engaging customer experience and enable the two Energy Queensland distributors to mutually benefit from technology changes and future developments of a single solution.

2.3. Investment Objectives

The investment to redevelop the Energex, Ergon Energy and Energy Queensland websites and consolidate onto a single target platform will deliver on the following objectives:

- Ensure the ongoing supportability, sustainability and security of core business processes covering the customer service domain of Energex and Ergon Energy.
- Implement contemporary, robust and engaging public websites that meet customer expectations in terms of digital experience, accessibility, usability, engaging content and functionality.
- Support consistent communication from Energy Queensland to customers and contractors across the Energex and Ergon Energy networks.
- Leverage the opportunity associated with platform consolidation and replacement to support planned operational productivity improvements.
- Drive improved online interactions with customers, contractors, suppliers and retailers.
- Provide a flexible technical architecture able to integrate securely with existing and future business systems and customer/contractor applications.

2.4. Principles

This initiative will be guided by the following principles.

- Internet websites enable the core business of Energy Queensland and must remain supportable, sustainable and secure.
- The websites should support our customers, consistent with Energy Queensland's Customer Strategy. The key principles of that strategy as they relate to the digital environment are:
 - 1. Know our customers**
 - Use customer data to make functionality, design and content decisions
 - Validate designs with customers to ensure they are fit for purpose
 - Monitor customer behaviour on platforms to ensure optimal consumption of content and task completion
 - 2. Deliver value**
 - Foster a mindset of continuous improvement in digital activities
 - Ensure customers are considered at all stages of design to avoid the need for retrofits; employ co-creation where feasible
 - Ensure digital solutions are supported
 - 3. Make it easy**
 - A seamless, tailored and integrated customer experience is provided across all service channels
 - Adopt an agile and iterative approach to design to ensure speedy and customer-focussed delivery of solutions
 - Ensure customers are considered at all stages of design to ensure intuitive and seamless task completion
 - Foster a strategic and data-based view to digital customer communications, to ensure customers receive relevant timely information that is consistent through any channel (omni-channel approach)

3. STRATEGIC ALIGNMENT

3.1. Alignment to Energy Queensland Strategic Objectives

This investment aligns with the Energy Queensland Strategic Objectives in the following ways:

Strategic Objective	How this investment contributes to the Strategic Objective of EQL	Impact
<p>1. Community and customer focused Maintain and deepen our communities' trust by delivering on our promises, keeping the lights on and delivering an exceptional customer experience every time.</p>	<p>A contemporary, functionally rich, usable and engaging website is a vital component for a positive customer experience. The investment will enable the web channel to support improved online customer interactions including content and functionality tailored to customer behaviour, preferences and needs. This will be achieved through deployment of shared and unique digital content and functionality assets on each website drawn from a single platform to provide more relevant, reliable and up-to-date information on service requests and outages, safety and consumption information, along with improved flexibility to log and manage requests online and seamless integration with other channels.</p>	<p>High</p>
<p>2. Operate safely as an efficient and effective organisation Continue to build a strong safety culture across the business and empower and develop our people while delivering safe, reliable and efficient operations.</p>	<p>A single contemporary website asset platform will contribute to Energy Queensland's safety culture by enabling more tailored and therefore relevant messaging and education to the communities we serve and our contractor staff across the different websites.</p> <p>The websites are currently primary sources for such information. However, the effectiveness of this channel is limited by the current websites' inability to present content relevant to identified differences in customer needs, in an intuitive and usable design.</p>	<p>Medium</p>
<p>3. Strengthen and grow from our core Leverage our portfolio business, strive for continuous improvement and work together to shape energy use and improve the utilisation of our assets.</p>	<p>The investment will support continuous improvement and collaboration across the portfolio through the provision of a consolidated platform for customer and contractor information. This will make it easier for our customers and partners to access Energy Queensland's range of services.</p> <p>In addition, the contemporary websites will support provision of improved information, tools and incentive schemes to help customers manage their electricity usage and therefore support effective demand management and optimised network utilisation.</p>	<p>Medium</p>
<p>4. Create value through innovation Be bold and creative, willing to try new ways of working and deliver new energy services that fulfil the unique needs of our communities and customers.</p>	<p>A contemporary web platform will enable greater innovation in customer engagement by supporting a greater variety of technologies for presenting information and interacting online. Opportunities afforded by data collection, testing and optimisation technologies will be exploited for improvements in communication and message take-up.</p>	<p>Medium</p>

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3.2. Alignment with National Electricity Rules (NER)

The table below details the alignment of the proposed solution with the NER capital expenditure objectives as regulated by the AER.

NER Objective Alignment	Rationale
<p>6.5.7 (a) (2) The forecast capital expenditure complies with all applicable regulatory obligations or requirements associated with the provision of standard control services</p>	<p>The solution will ensure compliance with all regulated, legislative and policy obligations to enable efficient delivery of standard control services in relation to online customer information.</p>
<p>6.5.7 (a) (3) The forecast capital expenditure maintains the quality, reliability and security of supply of standard control services</p>	<p>The web-based service channel will continue to be a primary method for customers to interact with Energex and Ergon Energy.</p> <p>In concert with other channels, up to date and more informative and relevant outage information, in customers' preferred format which may be via text or voice will support efficient service restoration for standard control service customers.</p>
<p>6.5.7 (c) (1) (i) The forecast capital expenditure reasonably reflects the efficient costs of achieving the capital expenditure objectives</p>	<p>Costs for this investment have been forecast based on knowledge of the Energex and Ergon Energy internet websites [REDACTED] other recent procurement activities, as well as general information gathered through market scans and vendor discussions.</p> <p>Energy Queensland undertakes competitive market procurement processes to ensure efficiency in project cost and operational expenditure prior to investment.</p> <p>Energy Queensland also has a cloud services strategy which assesses each potential investment to ensure the optimal use of cloud and internal services with considerations of cost, risk, service requirements and other parameters.</p>
<p>6.5.7 (c) (1) (ii) The forecast capital expenditure reasonably reflects the costs that a prudent operator would require to achieve the capital expenditure objectives</p>	<p>The requirement for this investment is premised on industry typical ICT Asset Lifecycle Management principles to prudently and efficiently ensure the supportability, serviceability and security of the Energex and Ergon Energy internet websites.</p> <p>Currently this investment has been analysed to a "Preliminary Gate 2" level. Prior to investment, a Gate 3 business case will be prepared with further detail to be assessed in accordance with the established investment governance processes.</p>
<p>6.5.7 (c) (1) (iii) The forecast capital expenditure reasonably reflects a realistic expectation of the demand forecast and cost inputs required to achieve the capital expenditure objective</p>	<p>Costs for this investment have been forecast based on knowledge of the Energex and Ergon Energy internet websites [REDACTED] other recent procurement activities, as well as general information gathered through market scans and vendor discussions.</p> <p>A further detailed cost build-up will take place in development of the Gate 3 business case. This detailed cost estimate may be subject to further competitive market procurement processes, sourcing analysis and peer consultation.</p>

3.3. Alignment with the Digital Office Application Asset Management Guidelines

The table below indicates alignment of the solution with the **Digital Application Asset Management Guidelines**:

Digital Application Asset Management Guidelines Assessment	Rationale
<p>Websites are classified as a System of Differentiation according to the PACE layer categorisation described in Energy Queensland’s Digital Application Asset Management Guidelines.</p> <p>These guidelines state a System of Differentiation has the following key defining criteria:</p> <ul style="list-style-type: none"> • Supports a differentiating and new business process • Business process is understood & dynamic (improved ways to deliver existing outcomes) • Utilises information that is core to the business and other information that is sourced externally or generated as part of the process. • Moderate data integrity requirements (data needs to validate transaction but not necessarily be auditable) <p>On the above basis, the guidelines forecast that Systems of Differentiation should maintain currency, supportability and effectiveness through the following investment lifecycle.</p> <ul style="list-style-type: none"> • Minor Upgrade – 2 years after implementation • Major Upgrade – 5 years after implementation • Replacement – 7 years after implementation <p>The guidelines further describe that Upgrade and Replacement investments should consider the extent of “obsolescence” of the solution. E.g.</p> <ul style="list-style-type: none"> • Technical Obsolescence – The solution is still functional but not supportable • Financial Obsolescence – The cost of maintaining the solution outweighs the value derived from it. • Asset Obsolescence – The asset has reached the end of its reasonable functional life as indicated through failure rates, inability to meet business requirements etc. 	<p>The Internet Websites solution proposed for replacement through this investment will meet the criteria for replacement identified in the guidelines.</p> <p>The proposed investment is planned to conclude in FY23.</p>

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3.4. Regulatory Implications

A robust and reliable internet website is essential to the delivery of Energex and Ergon Energy's statutory and regulatory obligations including:

- Provision of National Energy Customer Framework (NECF) information including:
 - Service outage notifications
 - Life support information
- Compliance with the Disability Discrimination Act 1992 ensuring the accessibility of content in a non-discriminatory manner, including website content.
- Compliance with the Government Owned Corporations Act 1993 and Queensland Government policy regarding public reporting.
- Compliance with the Australian Privacy Act (amended 2012) as well as relevant GDPR legislation.

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4. INVESTMENT SCOPE

4.1. Functional Scope

Energy Queensland comprises multiple business areas and functions as defined in the organisation's Business Reference Model. The proposed investment in Internet Website Asset Consolidation and Replacement is essential for ongoing efficient service delivery through the Energy Queensland's business areas and functions listed below.

Business Area	Business Function	Business Reference Model Description
Customer Management	Customer Service Operations	A function that manages service requests from customers. This includes the handling of customer requests, enquiries and complaints. Sub functions of this function are touch points between Customer Sales Management and Connection Point Management.
Network Operations	Network Outage Management	A function to identify, evaluate, prioritise and manage the restoration of network outages. This includes the dispatch of planned/unplanned outage work to work crews and the notification of customers.
External Stakeholder Management	Public Relation Program Management	A function that manages the public relations with the community and media.
External Stakeholder Management	Government and Industry Relationship Management	A function that manages relationships with governments and industry contacts, including lobbying activities.

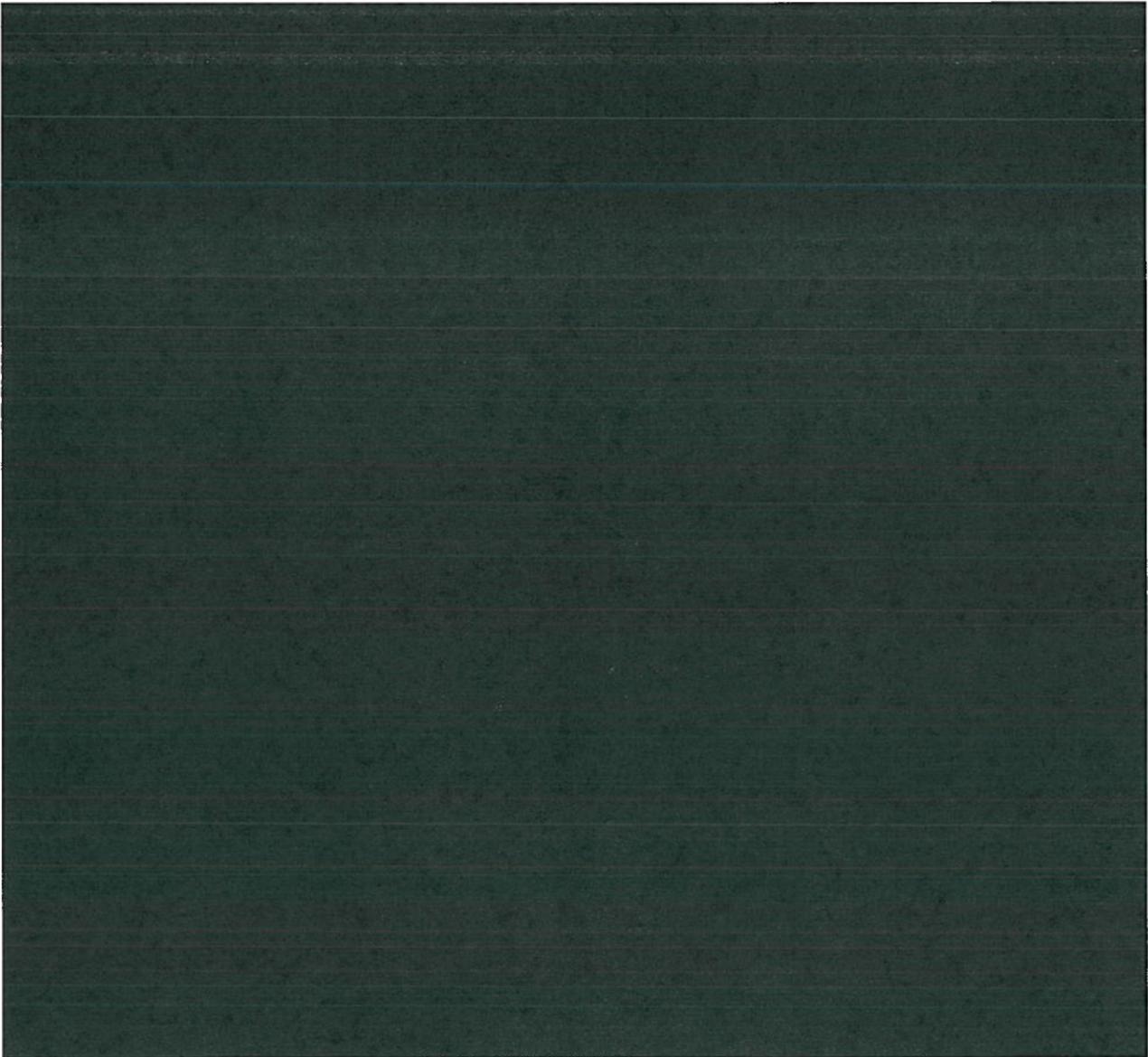
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4.2. Solution Overview

4.2.1 Current State (2018)



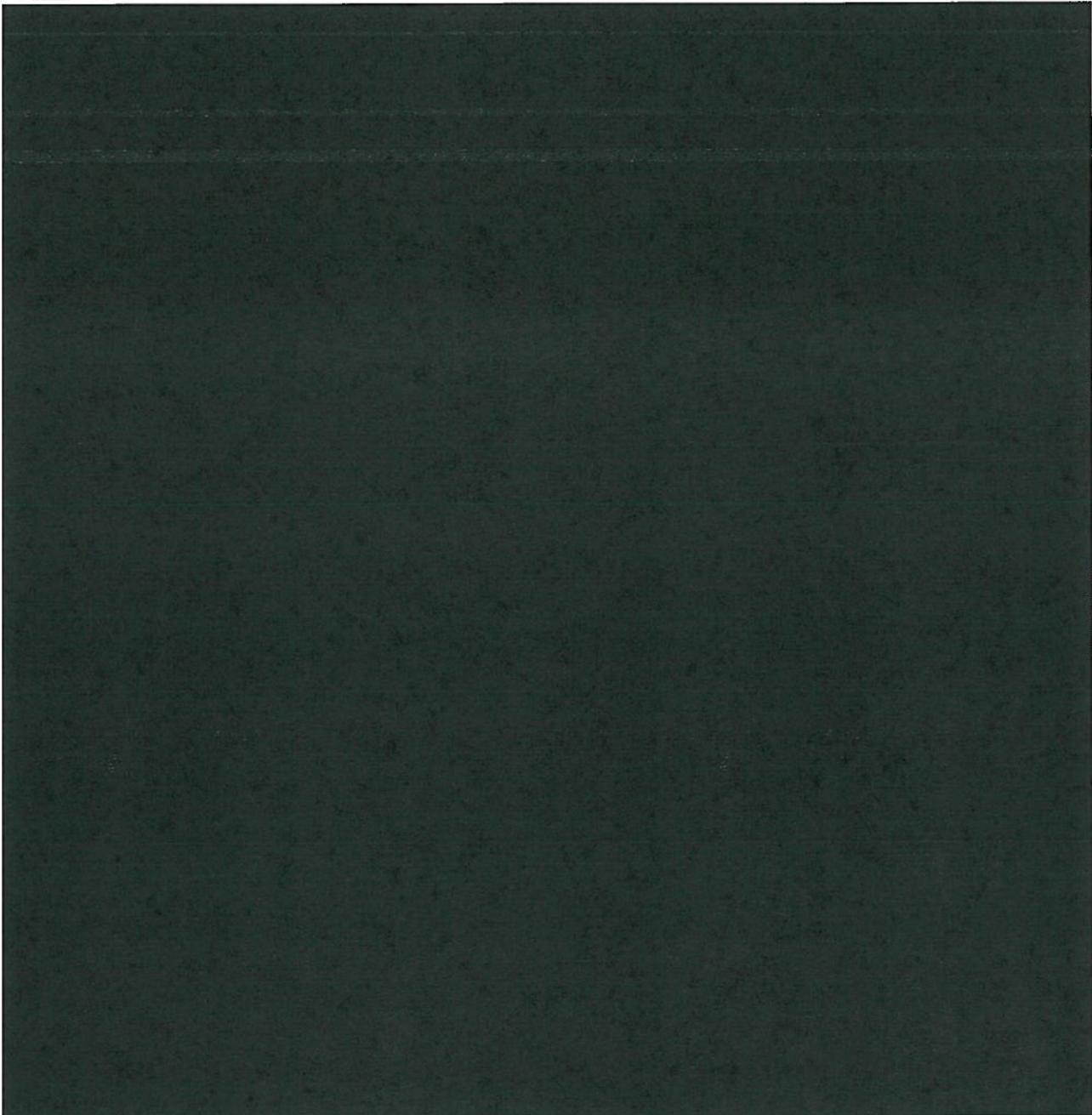
4.2.2 Target State (end of the proposed investment)

This business case investment will replace the independent internet websites with a single consolidated backend platform, from which website content may be rendered under the appropriate domain and with the appropriate branding. The platform will be integrated with Energy Queensland's back-end systems and other customer and contractor facing applications.



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The Energy Queensland *Digital Customer Marketing Strategy 2018-2025* (August 2018) provides an overall vision for digital customer communications. This strategy provides an action plan to transform the digital channel and achieve a suite of solutions characterised by the following attributes:

- **Customer-centred approach** - Apply User-Centred Design principles and journey mapping of ideal customer experiences to improve Energy Queensland websites from level 2 (current) to levels 3 and 4 of the Digital Experience Maturity Assessment Model (refer to Appendix B).
- **Voice-enabled search** - Configure key content and functionality for voice search based on customer data and preferences. This should include enabling customers to access outage information through voice searches [REDACTED] and Smart Home devices (e.g. Google Home, Amazon Alexa, Siri).
- **Personalised customer experience** – Provision of timely, relevant and personalised communications as part of an omni-channel customer engagement approach. This personalisation of customer-facing information should enhance responsible use of energy, safety messaging and provide assistance with addressing affordability. It will be enabled via the use of customer data that has been collected under the appropriate privacy regimes and securely stored.

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- **Chatbot functionality** – Live chat functionality to answer customer queries accurately, quickly and succinctly using a research-based content plan and taxonomy to ensure that relevant answers are presented to the user. Machine learning may also form part of this solution.

Replacement and consolidation of the internet websites will also provide the opportunity to implement state-wide business processes. The solution will enable greater customer engagement, more efficient administration, consistent communications and the adoption of innovative customer safety, outage and energy demand management applications.

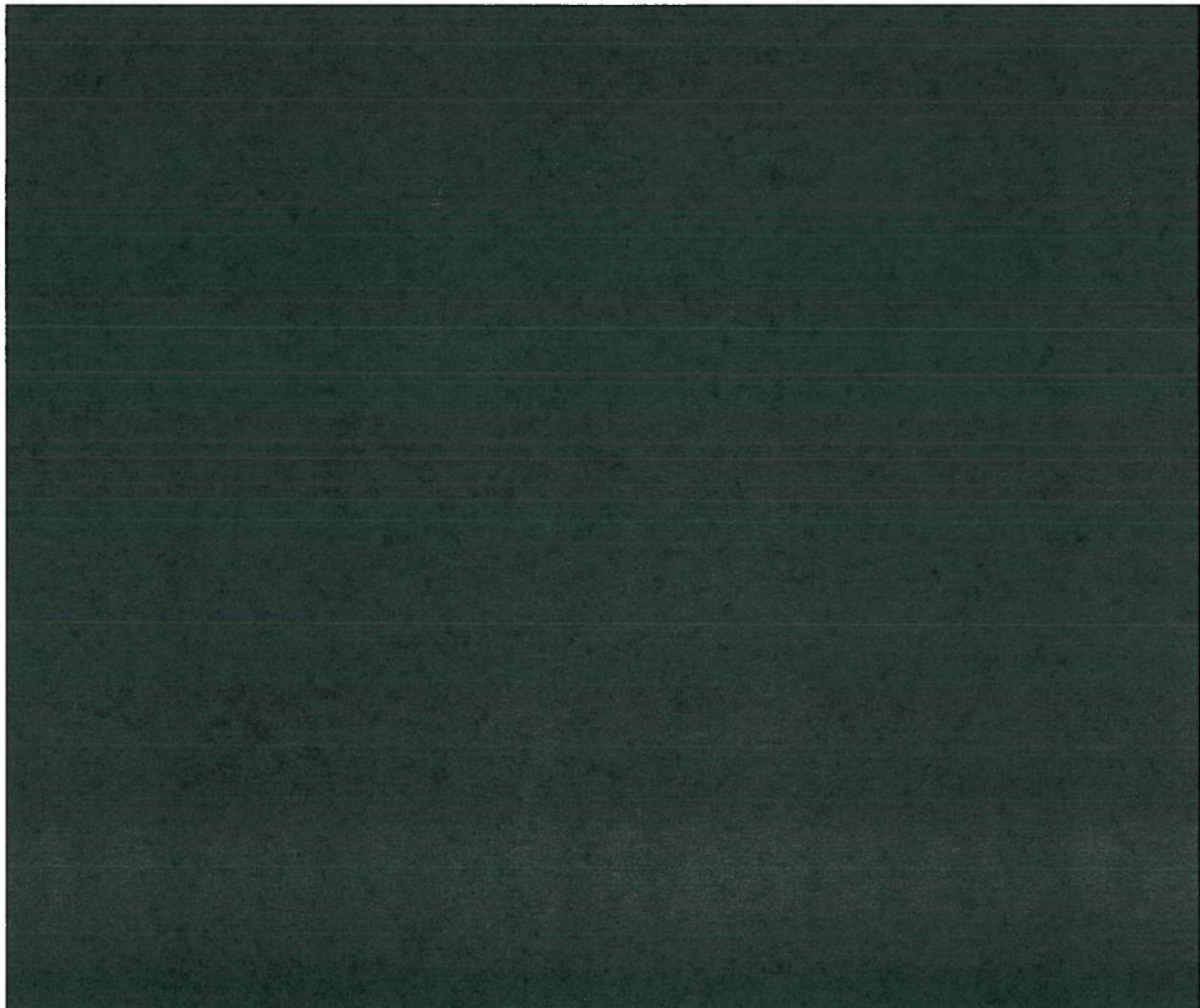
4.3. Assumptions

This business case is based on the following assumptions.

- The scope, inclusions, exclusions, costs and impacts of the initiative will be further detailed through the Gate 3 business case prior to investment. This may be subject to competitive procurement processes as appropriate to ensure cost efficiency of delivery.
- The initiative will be delivered consistent with the overarching omnichannel architecture.

4.4. Dependencies

This investment is dependent on the following programs, projects or business activities:



5. OPTIONS ANALYSIS

This section considers the following options analysis:

- Option 1 – Proceed with the replacement and consolidation of the current website assets (preferred)
- Option 2 – Replace the existing individual websites for each distributor
- Option 3 – Do minimal

5.1. Option 1 – Proceed with the replacement and consolidation of the current website assets (preferred)

The existing internet website assets will be reworked for ongoing sustainability, supportability and security. Further, consolidation and alignment of business process will be implemented to maximise synergies across Energy Queensland's customer service operations. The websites will be developed to take account of new technology developments in order to provide optimal customer experience.

5.2. Option 2 – Replace the existing individual websites for each distributor

The existing websites will be redesigned and replaced for ongoing supportability, security, and serviceability. However, no additional functionality, personalisation or state-wide consolidation or alignment of business processes will occur.

5.3. Option 3 – Do minimal

To the extent possible, essential updates will be applied to the websites on the existing platforms with the existing designs in order to meet the minimal standard required for the solutions to operate until the FY26-30 regulatory control period.

A comparison of these options is provided over page.

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5.4. Option Comparison

Each option has been assessed against key assessment criteria contained in the table below.

Assessment Criteria	Option 1 - Proceed with the replacement and consolidation of the current website assets (Preferred)	Option 2 - Replace the existing individual websites for each distributor	Option 3 – Do Minimal
Advantages	<p>Consistent with the business case objectives, this option:</p> <ul style="list-style-type: none"> Ensures the ongoing supportability, sustainability and security of core business processes within the customer service domain of Energy QLD, Energex and Ergon Energy. Implements contemporary, robust and engaging public websites that meet customer expectations in terms of accessibility, usability, content and functionality. Supports consistent communication from Energy Queensland to customers and contractors across the Energex and Ergon Energy networks. Leverages the opportunity associated with platform consolidation and replacement to support planned operational productivity improvements. Drives improved online interactions with customers, contractors, suppliers and retailers. Provides a flexible technical architecture able to integrate securely with existing and future business systems and customer/contractor applications. 	<p>Partly consistent with the business case objectives, this option:</p> <ul style="list-style-type: none"> Ensures the ongoing supportability, sustainability and security of core business processes within the customer service domain of Energex and Ergon Energy. Implements moderately contemporary, public websites that meet customer expectations to a degree in terms of accessibility, usability, content and functionality. Drives improved online interactions with customers, contractors, suppliers and retailers. Provides a flexible technical architecture able to integrate securely with existing and future business systems and customer/contractor applications. 	<p>This option does not effectively achieve any of the objectives of the business case.</p> <p>However, it does represent the lowest near-term capital expenditure for internet websites by deferring replacement investment into the FY26-30 period.</p>

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Assessment Criteria	Option 1 - Proceed with the replacement and consolidation of the current website assets (Preferred)	Option 2 - Replace the existing individual websites for each distributor	Option 3 – Do Minimal
<p>Disadvantages</p> <p>This option meets all the objectives of the business case. However, the following disadvantage is recognised:</p> <ul style="list-style-type: none"> Internet and web technologies continue to evolve rapidly. Therefore, investments in this capability have a shorter life than other ICT systems. However, it is essential for Energy QLD to realise its drive to become customer-focused in the digital area by the strategic consideration and development of relevant new technologies, including voice, web chat, and customisation/personalisation, as well as efficiencies gained through data collection and testing and optimisation regimes. 	<p>This option does not meet the following objectives of the business case:</p> <ul style="list-style-type: none"> Does not support consistent communication from Energy Queensland to customers and contractors across the Energex and Ergon Energy networks. Does not leverage the opportunity associated with platform consolidation and replacement to support planned operational productivity improvements. <p>Therefore, this option does not support the forecast Energy Queensland 10% reduction in indirect costs.</p>	<p>This option does not meet any of the business case objectives with a consequence that the internet websites will be 14 years old by the end of the regulatory control period.</p>	<p>See the organisational risk assessment in section 10.1 for information.</p>
<p>Key Identified Risks</p> <p>As the “preferred option”, a specific implementation risk assessment is provided in section 10.2. Key amongst these risks are:</p> <ul style="list-style-type: none"> Resource capacity and availability – mitigated through the use of market-provisioned services and established practices, tools and techniques. 	<p>Similar to Option 1, this option involves a substantial investment. Therefore, the risks are similar as follows:</p> <ul style="list-style-type: none"> Resource capacity and availability – mitigated through the use of market-provisioned services and established practices, tools and techniques. 		

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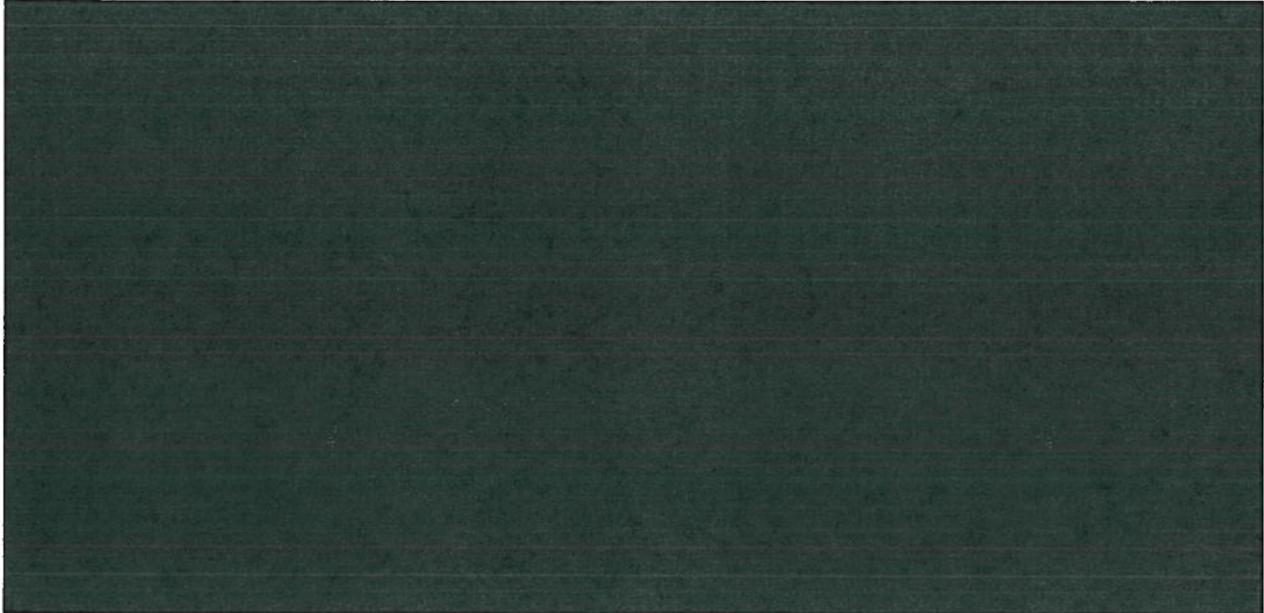
6. PREFERRED OPTION

“Option 1 - Proceed with the replacement and consolidation of the current website assets” is the preferred option, as it meets all the business case objectives, it is aligned with Energy Queensland’s strategic objectives and is consistent with Energex and Ergon Energy’s obligations under the National Electricity Rules. This option also supports realisation of Energy Queensland’s forecast 10% reduction in indirect costs.

“Option 2 - Replace the existing individual websites for each distributor” is viable but requires duplication of costs across the two distributors, with little opportunity for process improvement.

“Option 3 - Do minimal” defers renewal of the companies’ legacy internet websites. It therefore represents a material risk to the companies’ continued delivery of their customer service obligations.

6.1. Delivery Timeline and Approach



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7. INVESTMENT BENEFITS OVERVIEW

This section outlines the benefits associated with the investment. This business case has currently been analysed to a “Preliminary Gate 2” level. As such, the benefits will be further detailed, tested, and verified in preparation of the Gate 3 business case prior to investment.

This initiative is primarily an ICT Asset Replacement of legacy systems, required to ensure the ongoing sustainability, supportability and security of business critical capability. Energy Queensland will leverage the opportunity associated with this ICT replacement to also enable planned productivity improvements, resulting in a forecast 10% reduction in indirect costs. The benefits listed below represent contributions to the overall Energy Queensland productivity improvement targets.

7.1. Financial and Other Benefits

Area	Benefits Identified	Value
Financial Benefits		
Customer Operations Productivity	Increased ability to address customer enquiries and ongoing information needs via the web channel, thereby reducing the level of agent-based customer interactions.	
Content Management Productivity	Reduction of effort associated with maintaining and supporting separate website solutions including content administration and approvals, search engine optimisation, accessibility compliance and other activities.	
Other Benefits		
ICT Asset Management	Sustainment of the companies’ internet websites for ongoing supportability, serviceability and security.	Sustainment
Technology	Flexibility in enabling service interactions through new and changing technologies. This includes stakeholder-expected support for smartphones, voice activated home assistants, 5g networks, IoT, web browsers and next generation technologies which gain prevalence in the coming 7 years.	Meets Stakeholder Expectations
Customer Satisfaction	Customers are provided a better range of options to interact with Energy Queensland resulting in a more fulfilling customer interaction experience.	Customer Engagement
	Increased solution agility which allows Energy Queensland to be more responsive to customer demands.	

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8. FINANCIAL ANALYSIS

8.1. Scope of Costs

The table below summarises the potential cost inclusions to deliver the outcomes described in this business case.

Phase	Description / Rationale
All Phases	Project management
	Project support
	Internal corporate logistics / overheads
	Communications and engagement
	Review and assurance (excluding normal Internal Audit functions)
Planning & Procurement Phase	Gate 3 business case development
	Development of planning deliverables (e.g. PMP, Stakeholder and Communications Plan etc)
	Software licences, hardware purchases, cloud services procurement
Design Phase	Software, infrastructure, interaction and information design
	Data profiling and migration design
	Solution architecture
	Integration design
	Business process design
	Organisational change design and change management planning
Build, Integrate, Test and Deploy Phase	Data migration and ETL (Extract, Transform, Load) build
	Data migration execution (incl. Trial Migrations, Dress Rehearsals, Verification etc)
	Software, infrastructure and environment configuration
	Integration build
	Business process design and organisational change implementation
	Testing (incl. information consistency, capacity, performance and load, security etc)
	Training
	Production deployment
Warranty Phase	Post implementation operational support
	Transition to business-as-usual (BAU) support
	Post implementation review

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8.2. Cost Assumptions

The table below summarises the key cost assumptions for the initiative.

#	Assumption	Description / Rationale
1	Project phasing and deployment	<p>The initiative will be delivered over a 15-month elapsed period with an up-front design phase followed by agile development and deployment. The deployment plan will be structured with consideration of:</p> <ul style="list-style-type: none"> • Alignment with other dependent initiatives. • Sequencing to maximise business performance benefit. • Intention to minimise customer disruption and confusion by avoiding parallel running of multiple websites.
2	Use of market services	The initiative will be delivered through a team comprising internal subject matter experts and external solution delivery specialists, to ensure project cost efficiency and mitigation of project risk.
3	Energex and Ergon Energy costs	The project costs for Energex and Ergon Energy are consistent with the effort and complexity of transitioning each company from their respective current state to the common target state. The respective estimates (CapEx and OpEx) are as described in the following session.
4	Option 2 (Replace the existing individual websites for each distributor)	
5	Option 3 (Do minimal)	

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8.3. Financial Summary²

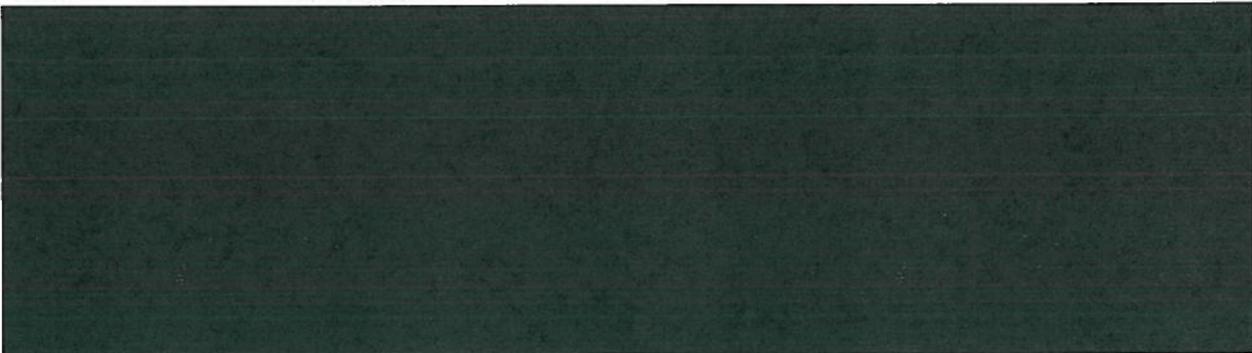
8.3.1 Energex Option Comparison



8.3.2 Ergon Energy Option Comparison



8.3.3 Energex Expenditure Summary (Option 1 – Preferred)



8.3.4 Ergon Energy Expenditure Summary (Option 1 – Preferred)



8.4. NPV Calculation Parameters

The above NPV and financial calculations are based on the following parameters.

- The Energy Queensland Net Present Value (NPV) model has been used to calculate the NPV calculations for this business case.
- The financial analysis period has been based over a 10 year period after a 15 month implementation.
- 5.40% Regulated Rate of Return/WACC is applied with present values discounted to FY17/18.

² Bracketed figures indicate negative values.

9. PROGRAM DELIVERY

9.1. Program Governance & Delivery

The governance and delivery model depicted in Figure 3 (below) is planned to be used for delivery of the initiative.

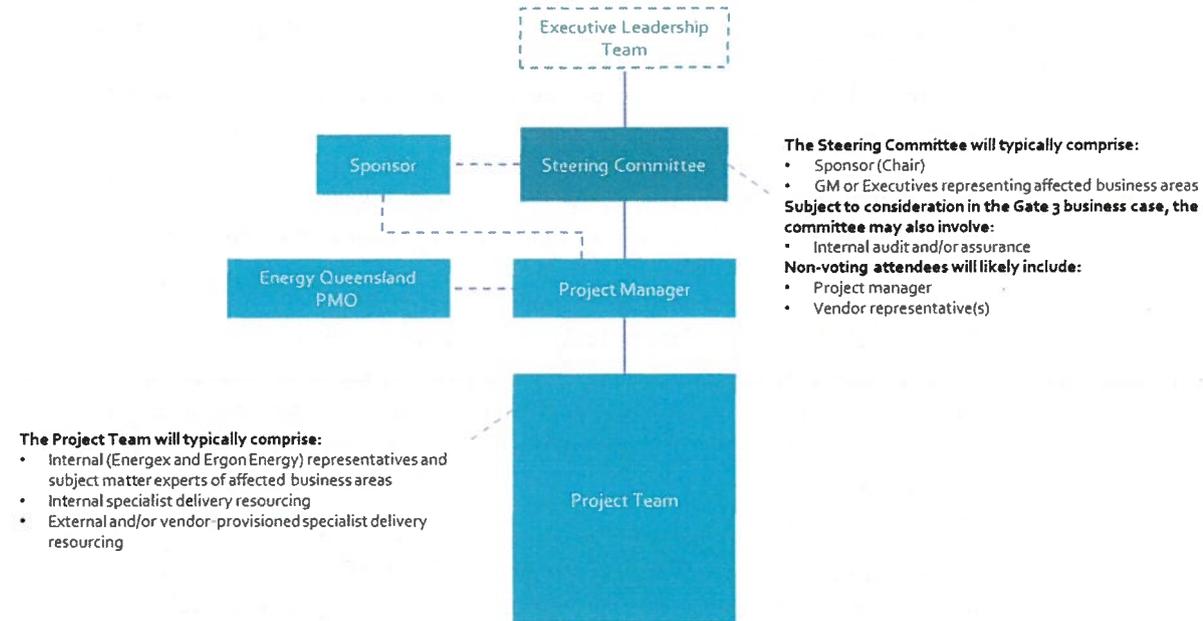


Figure 3 Governance and delivery model

Role	Key Accountabilities
Steering Committee	<p>Provides a single point of accountability for delivery of the initiative in accordance with the business case, as well as decision making aligned with strategic directions of the company. The committee governs the initiative with appropriate balance between delivered outcomes (time, fitness for purpose, cost), risk, business impact and enabled business value.</p> <p>Responsibilities</p> <ul style="list-style-type: none"> • Attend and be an active participant in committee meetings • Foster positive communications outside of the committee regarding the initiative • Be the voice of the initiative, including communications where appropriate to the Group Executive, Energy Queensland Board and other key stakeholders • Review and approve/reject any request for change (change requests) to the agreed scope, budget, schedule or deliverables. • Ensure all approved change requests align with the program objectives • Ensure program quality outcomes are balanced with other competing priorities • Review each completed phase (or defined stages or gates) and provide go/no-go direction after consideration of quality, risk, cost and schedule • Undertake a Post Implementation Review (PIR) • Ensure the appropriate independent auditing and review of the program is undertaken at the logical stage gates of the program

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Role	Key Accountabilities
Sponsor	<p>The Sponsor is accountable for delivering the business value enabled by the initiative and meeting the objectives set through the business case.</p> <p>Responsibilities</p> <ul style="list-style-type: none"> • Oversee development of the business case • Oversee development of the project management plan (PMP) working closely with the Project Manager • Monitor and advise on delivery outcomes working closely with the Project Manager • Ensure that any proposed changes of scope, cost or delivery timeline are checked against possible impacts to program benefits • Approve Change Requests within delegated authority levels • Ensure Change Requests have been endorsed by all impacted parties (Business Change, Design, Delivery, Finance, BAU) • Brief Executives and Board on program progress • Ensure that the benefits realisation plan is realistic and achievable
Project Manager	<p>The Project Manager has responsibility for the delivery of the overall initiative while maintaining the balance of competing priorities and alignment with initiative objectives as specified in the business case and as directed by the Steering Committee.</p> <p>Responsibilities</p> <ul style="list-style-type: none"> • Deliver the overall initiative outcomes • Agree delivery strategies with the Sponsor and the Steering Committee • Develop the PMP and oversee specification of all initiative deliverables including assessment of interdependencies and appropriate sequencing across the initiative • Manage development of the communications plan and ongoing communications with guidance and feedback from key stakeholders • Manage mobilisation of the initiative, including resource provision and procurement • Oversee technical delivery of solution design, development, implementation, integration, testing and data conversion • Oversee the delivery of training, deployment, organisational change management and business process re-engineering • Resolve all issues concerning project plans, schedules, budgets, risks and issues as they relate to the initiative • Manage cross-project dependencies, scope and resourcing issues • Ensures audit feedback is actioned in a timely, verifiable manner and validated
Program Management Office	<p>The Program Management Office is a centralised Energy Queensland business function which provides coordination, standards, administrative support and end-to-end reporting for Energex and Ergon Energy’s business transformational and ICT initiatives.</p> <p>Responsibilities</p> <ul style="list-style-type: none"> • Provide a central repository and framework for all program and project issues and risks • Co-ordinate and manage all project plans under guidance from the Project Manager • Overall program / project risk mitigation management • Overall program / project issue management • Program financial tracking and reporting • Deliverables monitoring • Program key performance monitoring and reporting

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Role	Key Accountabilities
Project Team Members	<p>The Project Team undertakes the core delivery of the project under direction of the Project Director and/or Project Manager. The team typically comprises internal representatives and subject matter experts of affected business areas as well as internal and vendor-provisioned delivery resourcing.</p> <p>Responsibilities</p> <ul style="list-style-type: none"> • Develop and deliver assigned project deliverables • Identify issues and record, monitor and report status • Manage issues with appropriate actions • Escalate issues as required • Attend reference groups and other forums as required

9.2. Stakeholder Management

The following tables summarise the key internal and external stakeholders for the investment. A detailed stakeholder management plan will be developed as part of delivery planning for the initiative.

9.2.1 Key Internal Stakeholders

Stakeholder	Interest
Energy Queensland Executive Leadership Team (ELT)	Operational performance outcomes across customer service operations.
Energy Queensland Customer, Brand and External Relations Business Unit leaders	Availability, reliability and serviceability of the replacement solution. Effectiveness of the solution to provide equivalent workflow capability of the existing solution and capability to easily create future workflows in support of further market changes.
Customer, Brand and External Relations staff	Effectiveness of the replacement solution to support business operations and analytics to improve business performance.
Digital Office staff	Development and support of the current websites and platforms, as associated functionality.

9.2.2 Key External Stakeholders

Stakeholder	Interest
Customers	Customers will rely on the solution for a range of information (including outages, safety, contact details, etc.) and to access a variety of services via the web channel.
Retailers	Retailers will rely on the website as the access point for the Retailer Service Interaction Portal.
Contractors and Electrical Partners	Contractors and Electrical Partners Retailers will rely on the website as the access point for the Partner Service Interaction Portal.
Media and General Public	The media and other interested members of the public will rely on the website for the provision of statutory reporting (including annual reporting), press releases and public information related to Energex and Ergon Energy.

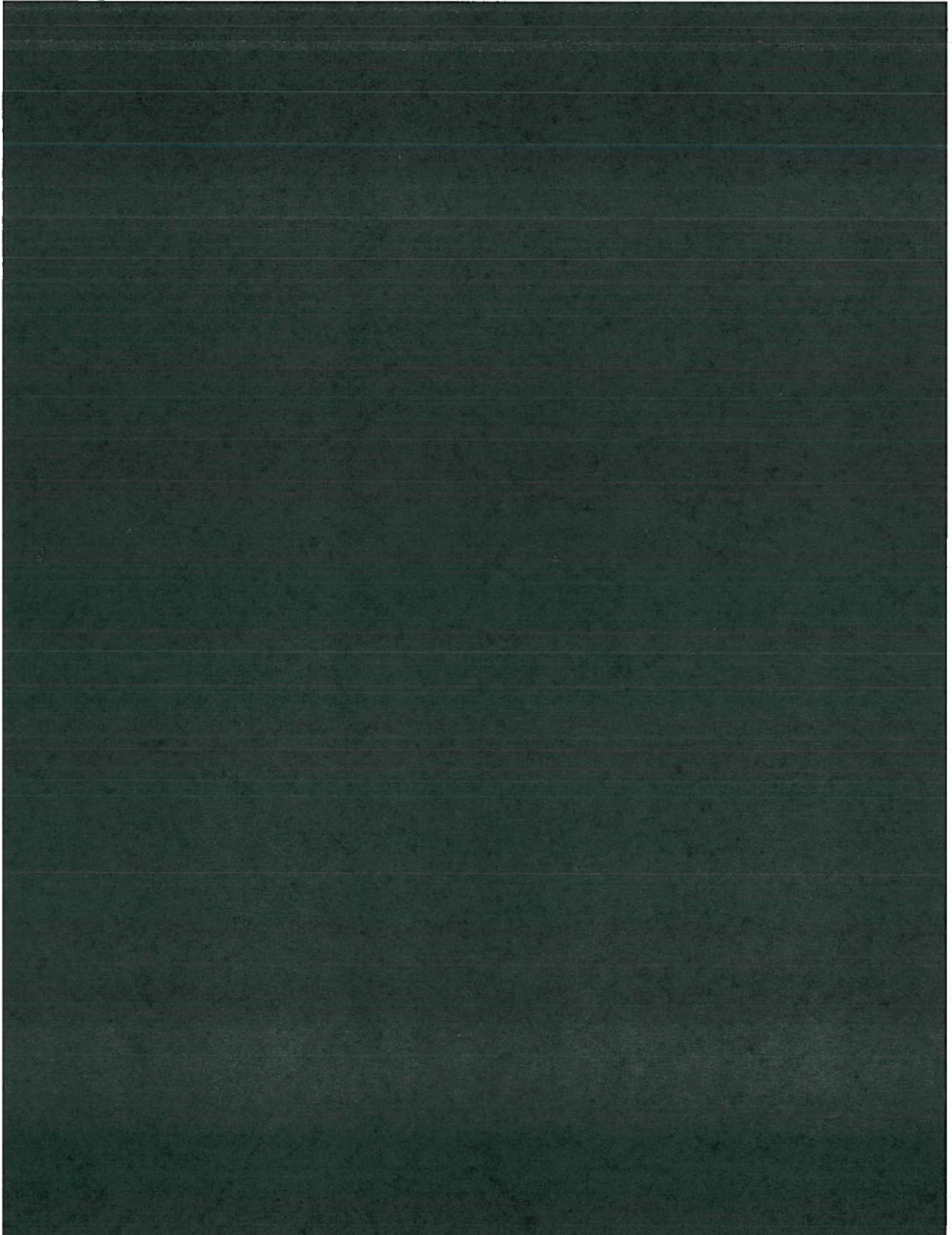
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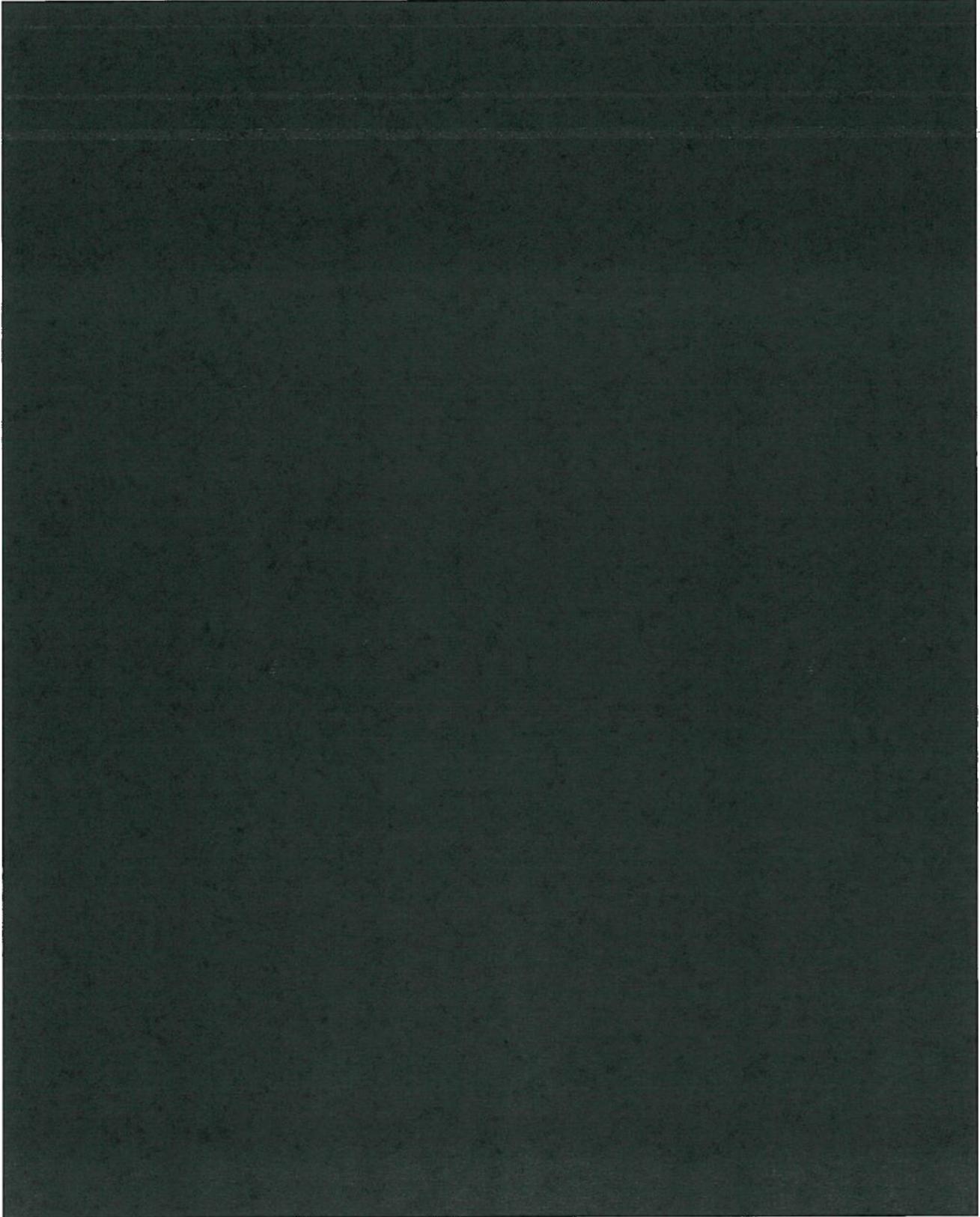
10. RISK ASSESSMENT

10.1. Organisational Risk Assessment



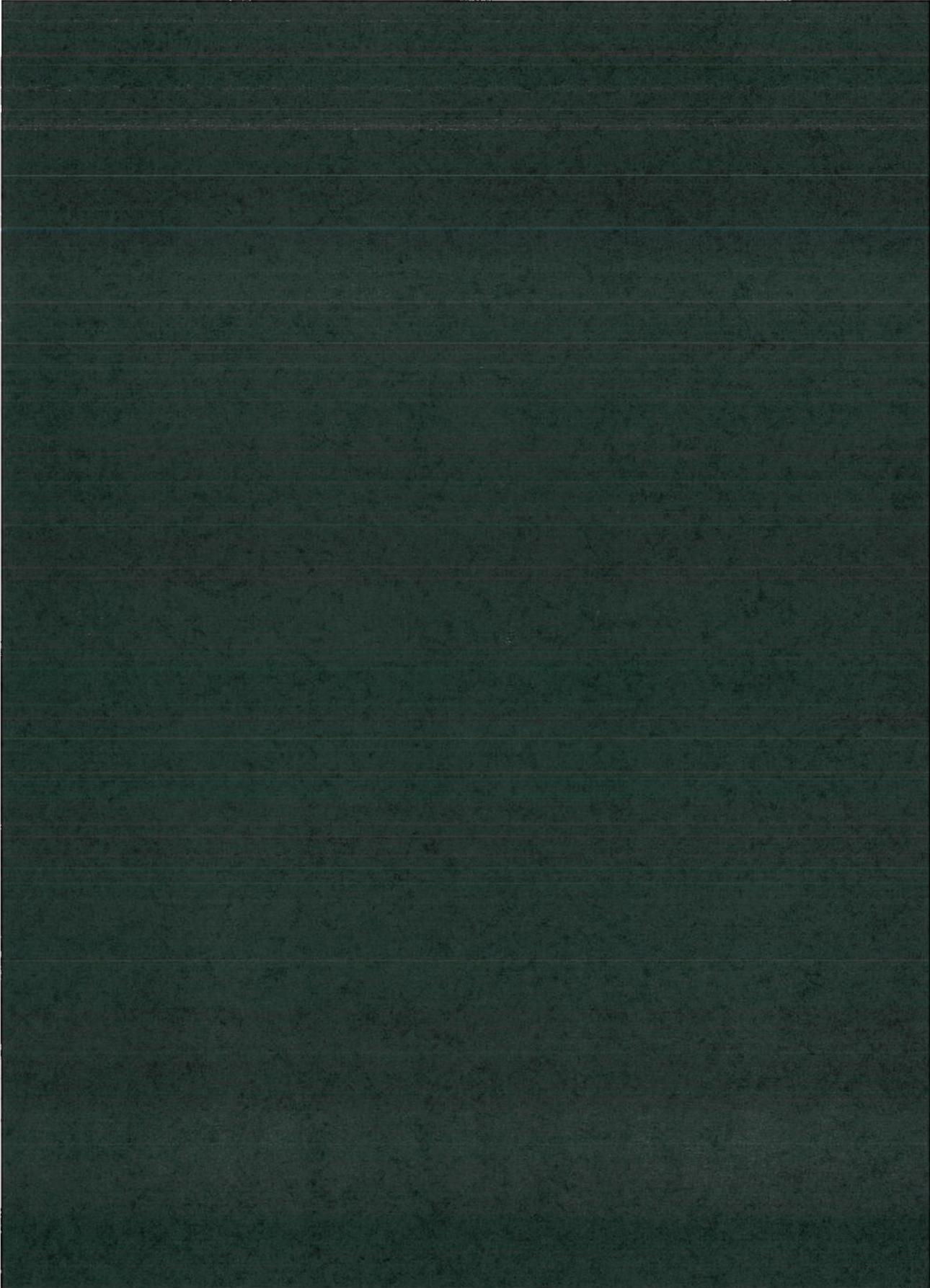
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10.2. Preliminary Implementation Risk Assessment

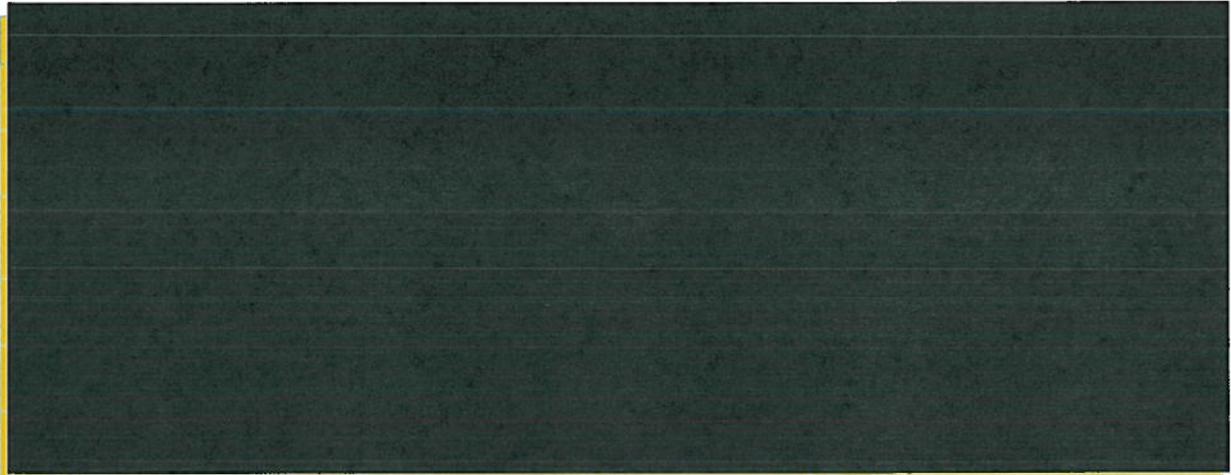
This section provides a preliminary assessment of the key implementation risks of the preferred investment option. These risks will be managed and mitigated by standard program controls and therefore have significantly reduced likelihood of occurring.

Risk Description	Inherent risk	Planned Mitigation	Residual risk
<p>Risk 1. Resource capacity and availability</p> <p>The initiative requires mobilisation of a skilled delivery team comprising internal subject matter experts and external solution delivery specialists.</p> <p>The required internal subject matter experts may be limited in capacity due to other initiatives and organisational change.</p> <p>Availability of required external solution delivery specialists is dependent on the capacity of the market.</p>	Moderate	<p>Continue to perform prudent program management planning to minimise internal resourcing conflicts, ensuring adequate capacity is committed to each initiative prior to delivery.</p> <p>Also prior to delivery, verify the availability of external solution delivery expertise through market procurement processes.</p>	Low
<p>Risk 2. Evolving regulatory obligations for customer communication</p> <p>Recent years have seen a trend towards increased regulatory requirements for customer interactions (for example, NECF and Power of Choice).</p> <p>New obligations may or may not be able to be accommodated by the current platform.</p>	Moderate	<p>Retain flexibility in the timing to bring forward the investment if significant new regulatory obligations are required which are unable to be accommodated on the current platform.</p>	Low
<p>Risk 3. Program Interdependencies</p> <p>Interrelated upgrades and/or replacements of related systems have been sequenced to minimise risk and duplication of effort. The architecture adopted in earlier planned items (such as the internet website investment) will impose some limitations on subsequent implementations (such as Service Interactions Portal and CCT).</p>	Moderate	<p>Ensure an open architecture is adopted wherever possible to minimise limitations on future deployments.</p>	Low

11. CHANGE IMPACTS

The below section details the potential impacts to occur across Energy Queensland during and after the implementation of this investment.

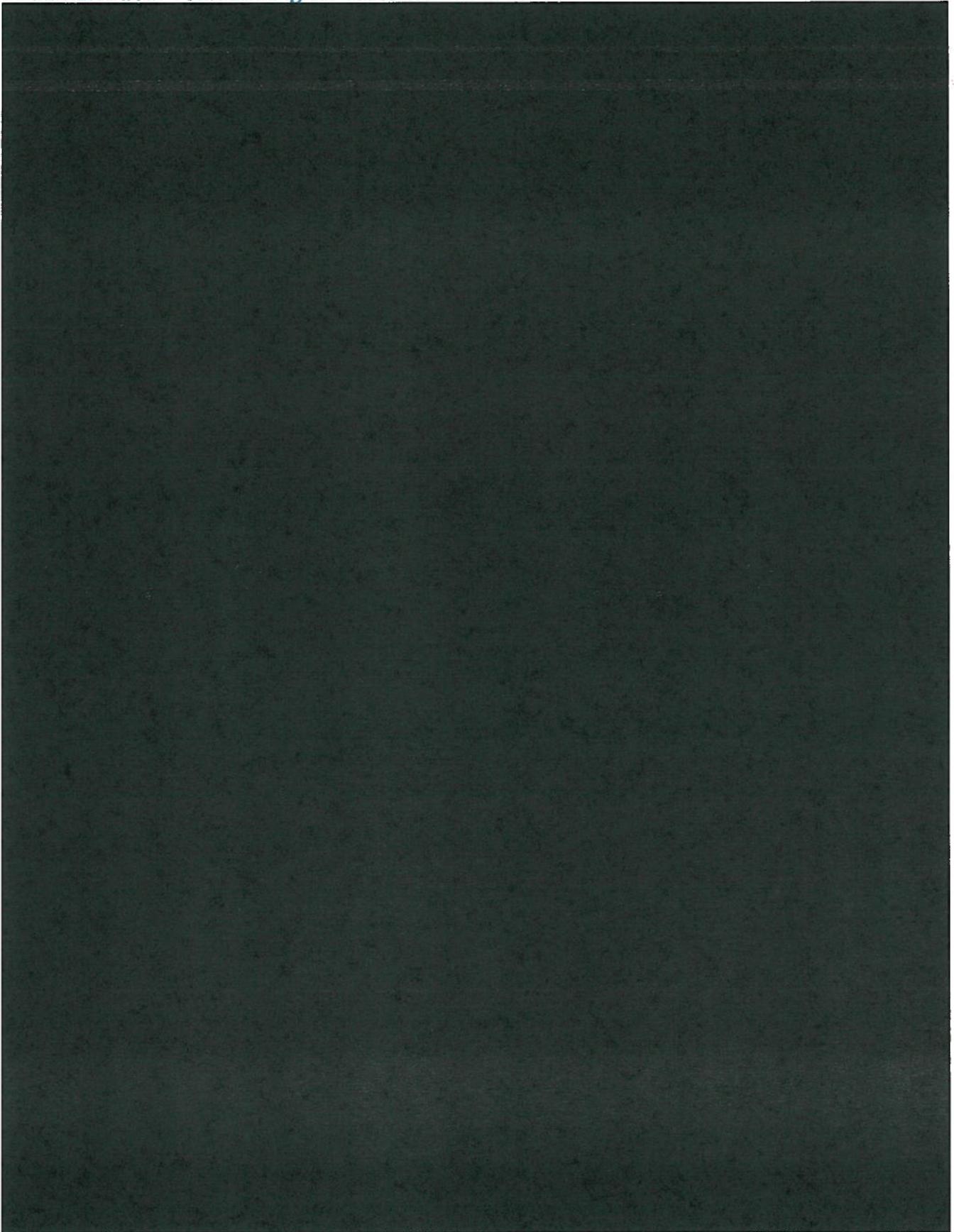
11.1. Investment System Impacts



11.2. People & Process Impacts

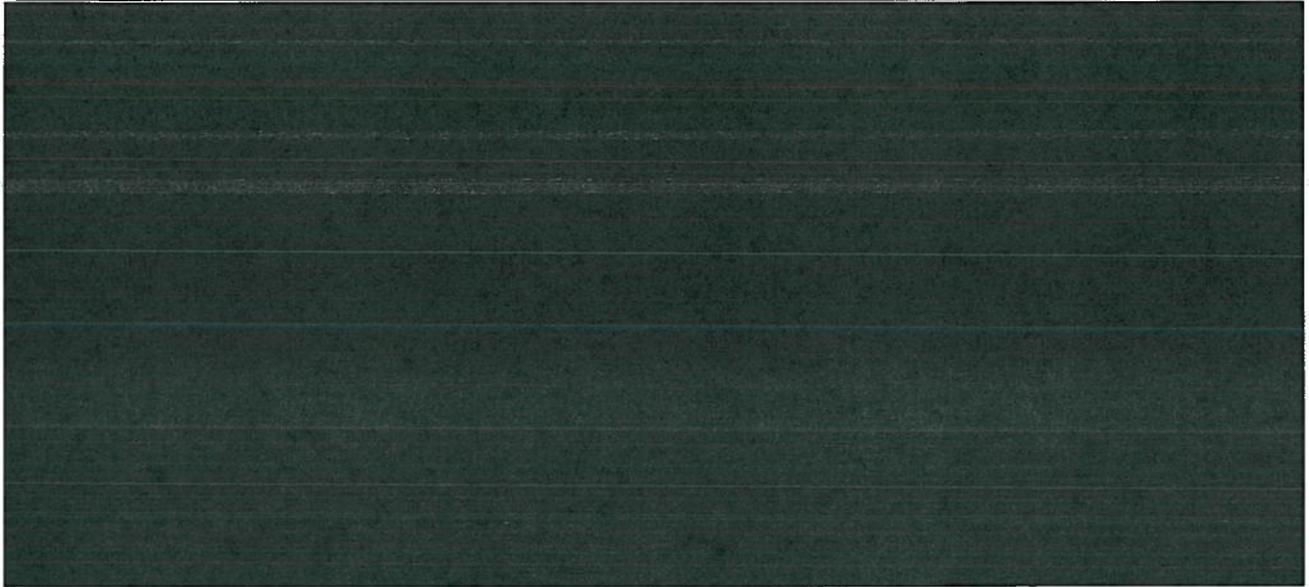


APPENDIX A - Current Digital Customer Channels



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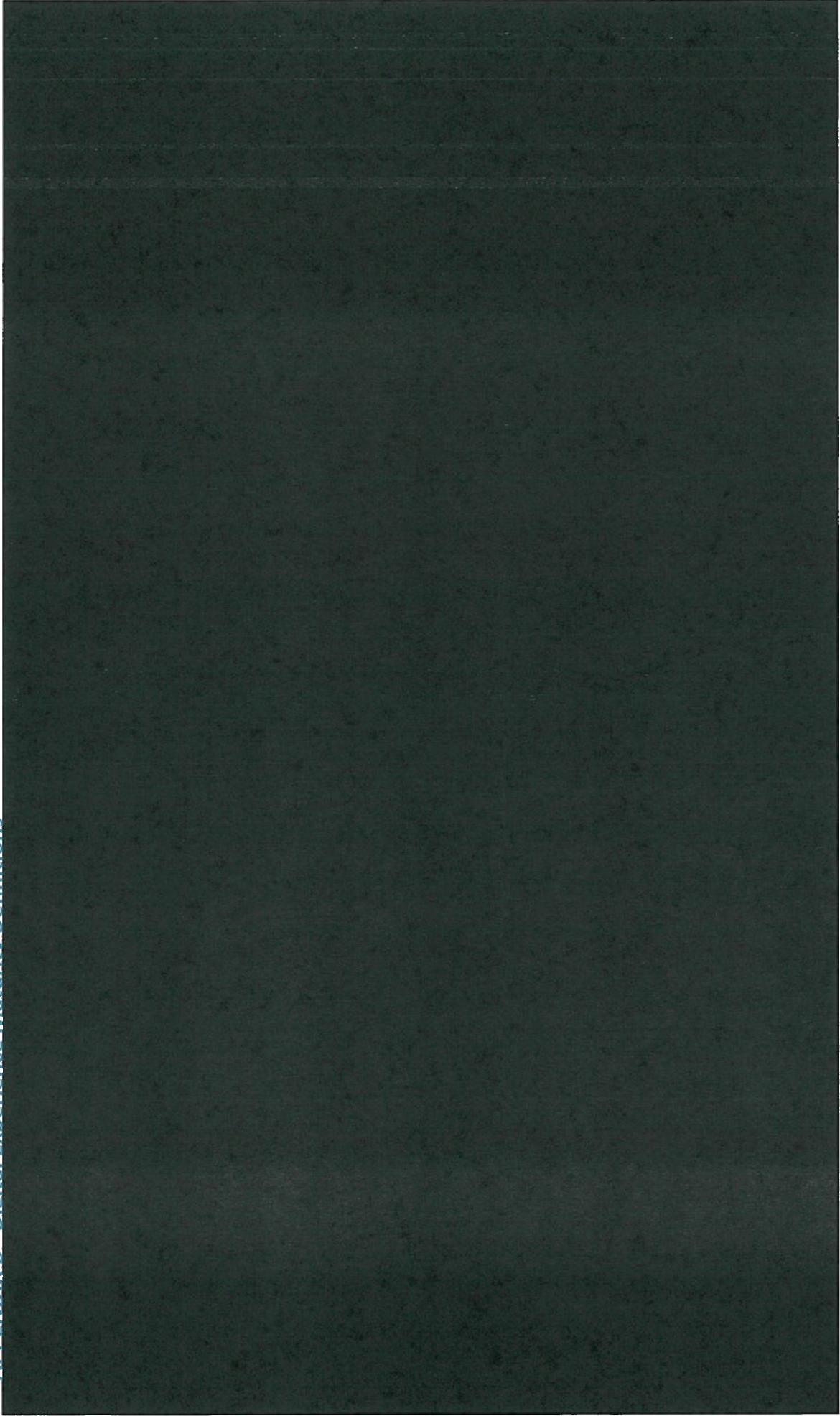


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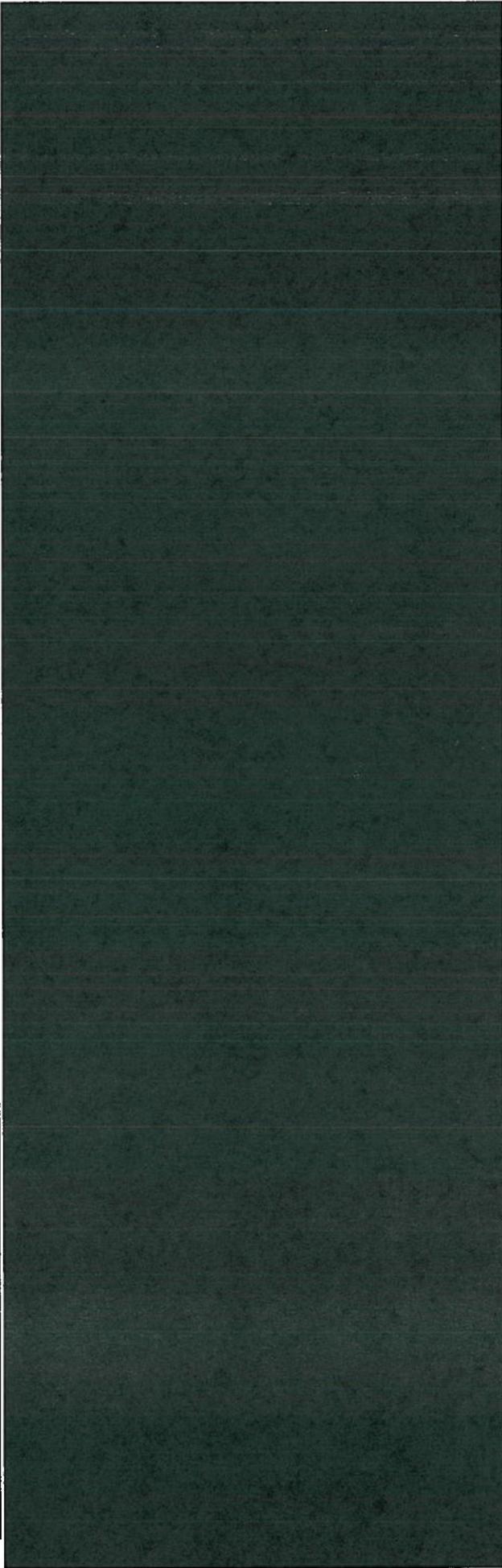


APPENDIX B - Digital Experience Maturity Definitions



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APPENDIX C - Glossary

This section describes key terms and acronyms used in this document.

Source: Energy Queensland internal sourcing

AEMO Retail Electricity Market Procedures – Glossary and Framework v2.1 December 2017

Term	Definition
AEMO	Australian Energy Market Operator
B2B	Business-to-Business: A generic term used to refer to certain business-to-business interactions between Participants through the B2B e-hub
BAU	Business as Usual
CapEx	Capital Expenditure
CCT	The Energy Queensland Contact Centre Technology solution comprising IVR and telephony
DNSP	Distribution Network Service Provider (i.e. the Energex and Ergon Energy distribution businesses)
ELT	Energy Queensland's Executive Leadership Team
ETL	Extract Transform Load (data migration and integration technology)
FFA	The Energy Queensland Field Force Automation solution(s). Includes work schedule/despatch and mobile information management
GSL	Guaranteed Service Levels
ICT	Information Communication Technology
IVR	Interactive Voice Response
Life Support	A situation where an End User relies on electricity for the operation of 'life support equipment'
LNSP	In the context of a Network Service Provider's distribution network: Local Network Service Provider In relation to a child connection point: EENSP. For the purposes of the Metrology Procedure: If there is more than one Local Network Service Provider for a local area, a reference to the LNSP in respect of a metering installation or connection point is a reference to the LNSP that holds a licence in respect of the network to which that metering installation or connection point is connected
NECF	National Energy Customer Framework
NEM	National Electricity Market
NER	The National Electricity Rules made under Part 7 of the National Electricity Law
NMI	National Metering Identifier
NPV	Net Present Value
OpEx	Operating Expenditure
Participant	An organisation with a Participant ID to sign into MSATS
SCS	Standard Control Services
Service Order	A B2B request to perform specified work
WACC	Weighted Average Cost of Capital

