

Attachment 2.09

Stakeholder Briefings – our plans and priorities summary report

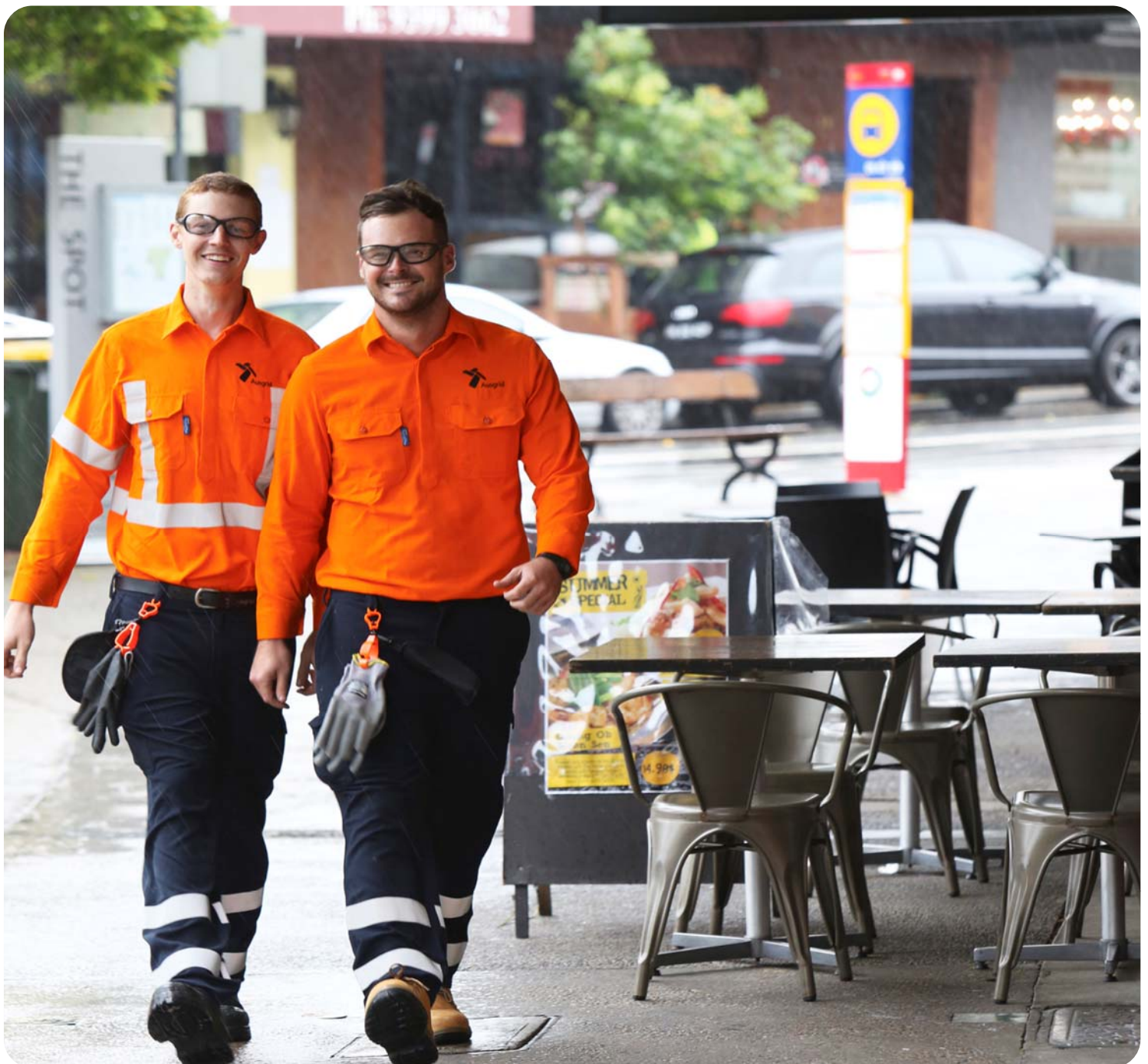
January 2015



Stakeholder briefings – our plans and priorities

Summary Report

December 2014



Stakeholder briefings – our plans and priorities

A summary of Ausgrid stakeholder briefings held
between June and October 2014.

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Introduction

Who is Ausgrid?

[Ausgrid](#) builds, maintains and operates the electricity distribution network across 22,275 square kilometres in Sydney, Newcastle, the Hunter Valley and Central Coast of NSW.

We aim to provide a safe, reliable and affordable power supply to our 1.65 million customers through a network of large and small substations that are connected by high and low voltage powerlines, underground cables and power poles. Our operations are governed by national and state laws and regulations. Every five years we submit a proposal to the Australian Energy Regulator (AER) which includes our proposed capital and operating plans and the funding needed to deliver those plans.

Our charges are provided to electricity retailers and, when combined with TransGrid's transmission charges, represent about half of our customers' electricity bills issued by their retailer.

Engaging with our customers

Ausgrid has developed a new [consumer engagement strategy](#) to help guide the way we listen and gather feedback from our customers, the community and stakeholders. It also guides the way we should consider these views in our decision making process, in particular our plans and prices that we submit to the AER every five years.

Ausgrid's engagement with the community and its customers is based on the following principles:

Transparent	We will engage in an open and honest way so that customers and stakeholders will be clear on our processes and how we will consider their input in our planning and decision-making processes.
Timely	We will engage in a consistent way and allow enough time for meaningful conversations, consultation and appropriate changes to our operations or processes.
Inclusive and Accessible	We will engage widely with our customers, community, consumers and stakeholders giving them opportunity to voice their views and concerns and influence decisions. This includes overcoming barriers to participation and providing innovative ways to communicate and consult more widely. We will ensure this engagement is ongoing and genuine.
Appropriate and Balanced	Engagement will be robust, cost effective and relevant. We will use methods of engagement that will balance the participation and influence of all customer segments and stakeholder groups. We will offer different methods of engagement to suit the audience and the goals of engagement.
Accountable	We will provide clear actions and responses following engagement. We will monitor the effectiveness of our engagement planning and activities, implementing improvements where needed.
Clear and Measureable	Information will be in a format that enables consistent and objective analysis that can be measured, assessed and improved.

An important part of our consumer engagement strategy is the need to properly inform stakeholders who represent our customers about our operations and plans. This includes local councils and Members of Parliament, welfare and consumer advocacy groups, resident groups and associations, and chambers of commerce and industry associations.

To help achieve this, Ausgrid has written to key stakeholders and also briefed retailers and consumer representatives on our five-year regulatory proposal as well as future industry challenges. The briefing was also provided to our Customer Council, which includes representatives of the NSW Council of Social Services, the NSW Council of the Ageing, the NSW Ethnic Communities Council, the Country Women's Association and the Smith Family.

In addition, Ausgrid held regional briefings for key stakeholders across our network on our five-year plans, which provided an opportunity to hear their views and incorporate them into our operations. Our aim is to improve the way we conduct our operations and better align them with the long term interests of consumers.

These actions support Ausgrid's ongoing engagement process, which sets out clear goals for the organisation.

Ausgrid engagement process



Our stakeholder briefings and this summary report deliver on our aims to:

- inform and build knowledge, by providing detail on our operations and plans
- consult and involve, by gathering feedback through two-way communication; and
- review and report back to stakeholders on the results of the engagement and how they have influenced our operations.

Stakeholder briefings

A number of stakeholder briefings were held throughout our network area from June to October 2014.

Briefing	Local Government Areas
Sydney CBD and Inner West	Sydney City, Marrickville, Leichhardt
Sydney South and Sydney East	Randwick, Woollahra, Botany Bay, Waverley, Sutherland, Rockdale, Hurstville, Kogarah, Bankstown, Strathfield, Burwood, Ashfield, Auburn, Canada Bay, Canterbury
Sydney North	Hunters Hill, Ryde, Lane Cove, North Sydney, Mosman, Manly, Warringah, Pittwater, Ku-ring-gai, Hornsby, Willoughby
Upper Hunter	Muswellbrook, Upper Hunter
Newcastle	Lake Macquarie, Newcastle, Port Stephens, Maitland, Cessnock, Singleton
Central Coast	Gosford and Wyong

More than 500 invitations to the forums were issued and over 80 people attended from a range of stakeholder groups including local councils, electorate offices, chambers of commerce, welfare and consumer groups, culturally and linguistically diverse communities and large industry groups.

The briefings were led by members of Ausgrid's leadership team and attended by other senior officers across a broad range of services.

This allowed stakeholders and members of the community to discuss issues of concern with the managers and officers responsible for those matters. It also allowed Ausgrid to directly hear and consider stakeholder feedback.

Ausgrid officers attending and presenting at the forums included our Chief Operating Officer and General Managers of Network Operations Finance and Corporate, and People and Services.

Ausgrid's Asset and Network Planning and Corporate Affairs Managers were also in attendance, along with our Regional Operations Managers, Street Lighting Engineering Manager, Vegetation and Inspections Manager, and Community Liaison Officers.

A broad range of topics were covered at the briefing sessions, including:

- Proposed capital and operating costs for the next five years
- Proposed electricity network prices for the next five years
- Drivers for network investment and costs
- Business savings program driven by network reform initiatives
- Results of consumer and community engagement programs; and
- Network investment projects by region.

A copy of the presentation is available on [Ausgrid's website](#), including slides outlining proposed regional projects.

Key issues

There were a number of issues raised by stakeholders during the briefing sessions. Many of these issues were responded to directly at the time, while others required follow up from staff or site meetings. A number of issues raised by stakeholders related to broader and longer-term policy matters.

The issues raised may be grouped into the following areas:

Issue	Description	Response	Long-term actions
Apprentices	The future of apprenticeship program	New recruitment program dependent on workforce plans and AER decision Existing apprentices appointed via mix and match program once qualifications gained	Inform stakeholders of changes to apprenticeship program once final AER determination is issued
Metering	Status of smart meters	Customers must opt in for digital / interval meters	Inform of changes to metering program
	Virtual net metering between sites owned by the same entity	Ausgrid to contact councils to determine needs	Consult with councils on options for future metering
	Customer self reads	Ausgrid has YouTube video showing how to self read meters.	Inform options to help self reads
Community Support	More support for community programs	Reduced programs in line with cost reduction program	Assess new programs in line with community expectations and AER determination
Demand Management (DM) & Peak demand	Scale of DM programs	Ausgrid has proposed increased funding for broad based DM, along with a Demand Management Benefit Sharing Scheme	Continue to lobby for increased DM
	Impact of reduced peak demand on capital program	Ausgrid reduced programs for growth, but capex is still required to replace ageing infrastructure, while local peaks also require potential augmentation	
Street lighting	Changes to park lighting	Contacts at regional level to assist	Continue engagement sessions for councils
	Maintenance costs	Continue to consult on lighting options to reduce maintenance costs	
	Installation of new lights	Continue to consult on new lighting technology	
	Access to information	AER working on options to make confidential information available	

Issue	Description	Response	Long-term actions
Tree trimming	Lack of consultation	New engagement program in development	Ensure stakeholders are part of future engagement
	Impact of trimming	Work to standards. Tree trimming required for safety and reliability	
	Funding of replanting	Can work with councils on joint funding for select removal and replanting	
Impact of infrastructure	Pillar and kiosk locations	On-site meetings and better consultation on locations	Ausgrid new community engagement guidelines to be communicated to all staff and stakeholders
	Pole maintenance	New online tool for pole reporting	
	Restoration	To investigate existing restoration work and inform contractors of required standards	
	Aerial Bundled Cable (ABC) funding	Ausgrid no longer joint funds ABC work	
	Effect of Ausgrid 11kv works on public amenity and safety	Safety issues to be investigated and any necessary action taken	
Customer Service	Real time outage information	Online outage information to be developed	Consult on longer term engagement strategies and plans
	Better engagement with Culturally and Linguistically Diverse (CALD) communities	To meet with Ethnic Communities Council on better processes for CALD communities	
	Consult on engagement plans	Consult on better engagement plans	
Pricing	Solar feed-in tariffs	Ausgrid looking for fair solar tariff for all customers. Longer term tariff strategy subject to engagement	Continue to improve consumer engagement plans on future pricing plans
	Fixed charges	Ausgrid will continue to look for ways to engage with customers to inform our longer-term tariff strategy	
	Better engagement with big customers with network only tariffs	Ausgrid to design better engagement program for these customers	
Solar / embedded generation	Electric vehicles	Continue to monitor need for solutions and pricing	Better communicate options for customers. Better engagement on programs
	Distributed generation	Under consideration at a regulatory level, will continue to engage with stakeholders on pricing	
	Equitable pricing for embedded generation / trigeneration	Network use or back up needs to be paid for.	
	Load control and partnering with councils	Consult with councils	
Underground cabling	More undergrounding	Ausgrid will underground based on technical requirements and economic case. Customers to fund work driven by customer need, not network need	Better communicate Ausgrid policy. Ensure undergrounding part of future engagement

Outcomes

These briefing sessions were designed to help inform stakeholders and the customers they represent about Ausgrid's regulatory proposal. As part of the sessions, stakeholders were actively encouraged to provide feedback on the proposal either direct to Ausgrid or the AER.

Participants were also given the opportunity to provide feedback on Ausgrid's plans and operations, particularly on pricing, drivers for network investment and engagement strategies.

Ausgrid has collected this feedback and, as shown in this report, assessed and responded to the issues raised.

Key improvement areas include building on our increasing engagement activities across a broad range of areas such as pricing, tree trimming, street lighting and demand management.

A number of actions in response to issues raised have already been undertaken, including consultation with councils regarding ways to improve public lighting arrangements, technology and service levels. Detailed discussions have also been held with the Ethnic Communities Council on ways to improve engagement with CALD communities. Ausgrid is also in the process of communicating with staff and stakeholders about our new community engagement guidelines.

Ausgrid received a consistent response from stakeholders that these briefing sessions were a valuable channel for engagement with Ausgrid. This came from about 90 percent of respondents to post-briefing session surveys, who said they wanted to attend future briefing sessions.

Internal stakeholders also stated that the sessions were a valuable channel for gathering and assessing stakeholder and customer feedback.

A copy of the survey response from attendees at the forum is attached to this report.