

Attachment H – Phase 2 Engagement Design



PowerWater

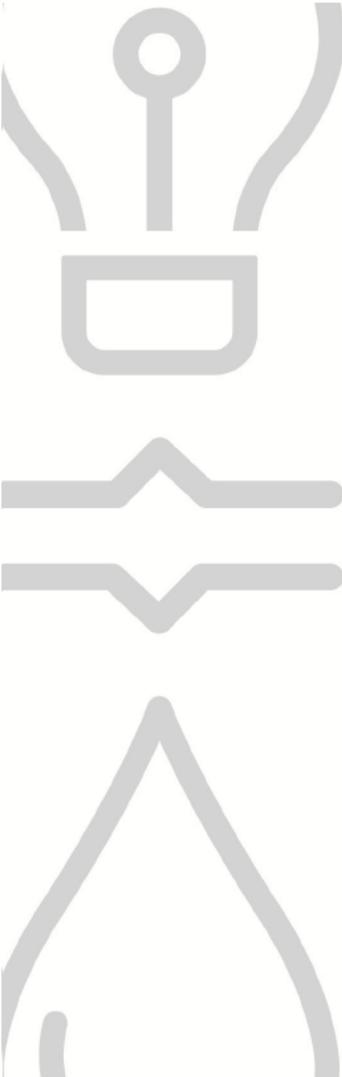
Customer Advisory Council

Meeting: Wednesday 5 July 2017

POWER AND WATER CORPORATION

powerwater.com.au

The text "Phase 1 Feedback" is centered in a large, white, bold sans-serif font. To its left are two horizontal white lines with yellow arrowheads pointing right, and a vertical white line with a yellow arrowhead pointing down.

A vertical column of four grey line-art icons on the left side of the page. From top to bottom: a stylized water tap with two curved lines representing water flow; a horizontal line with a central upward-pointing curve; a horizontal line with a central downward-pointing curve; and a stylized water drop or wave shape.

Engagement Activities 2017



Feedback gained through engagement to date

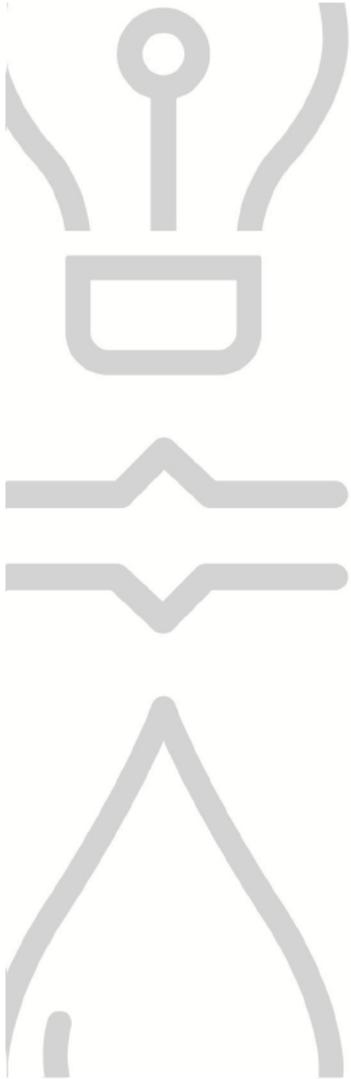
Phase 1 feedback had 5 broad categories

1. Better customer experience and building closer working relationships
2. Lowering pricing and becoming more efficient
3. Ongoing maintenance and undergrounding
4. Supporting more renewable energy
5. Better understanding of Aboriginal customers

Today we'll discuss:

1. What we are already doing in these areas in the current period
2. What we are already intending to do in the next period
3. What we are wanting to consult on for the next period, during Phase 2 of our consultation process





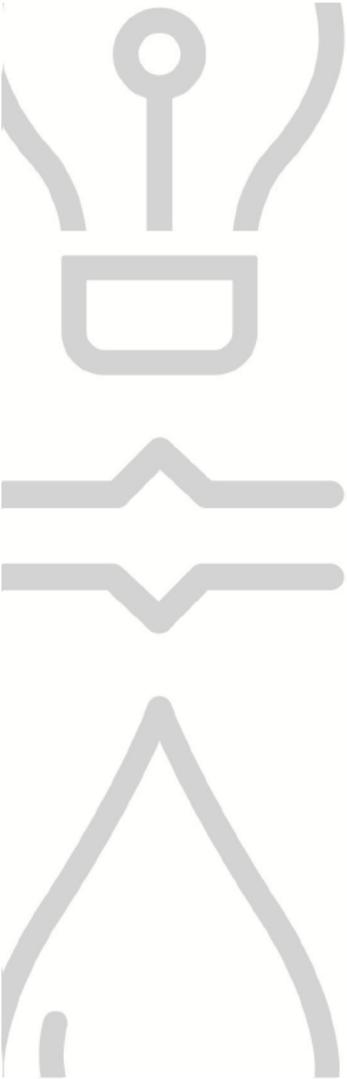
1. Better customer experience and building closer working relationships

During the current period we will:

- Engage better with our large energy users
- Install 1,500 smart meters
- IT system improvements
- Commence large scale customer research

During the next period we intend to:

- Renewing our dated billing system
- Reintroducing our “Virtual Energy Audit” webpage.
- Commissioning a new Meter Data Management system.

Three decorative icons in a light grey color are arranged vertically on the left side of the slide. The top icon is a stylized flame or fire. The middle icon consists of two horizontal lines with a central peak and valley. The bottom icon is a stylized flame or fire shape with a small vertical bar at its base.

2. Lowering pricing and becoming more efficient

During the current period we will:

- Commission an Outage Management System
- Seek ISO quality certification for our asset management processes

During the next period we intend to develop:

- Prudent and efficient expenditure forecasts
- Prudent and efficient metering charges

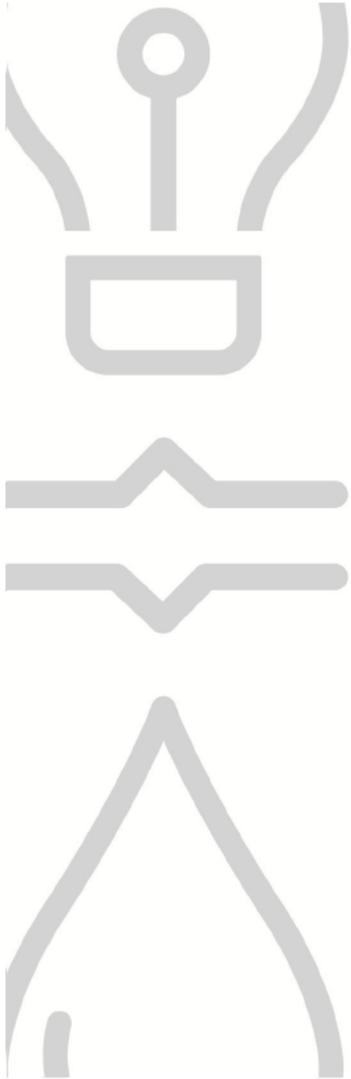
3. Ongoing maintenance and undergrounding

During the current period we will:

- Expand network capacity
- Trial cost effective devices on our long rural feeders to improve the reliability

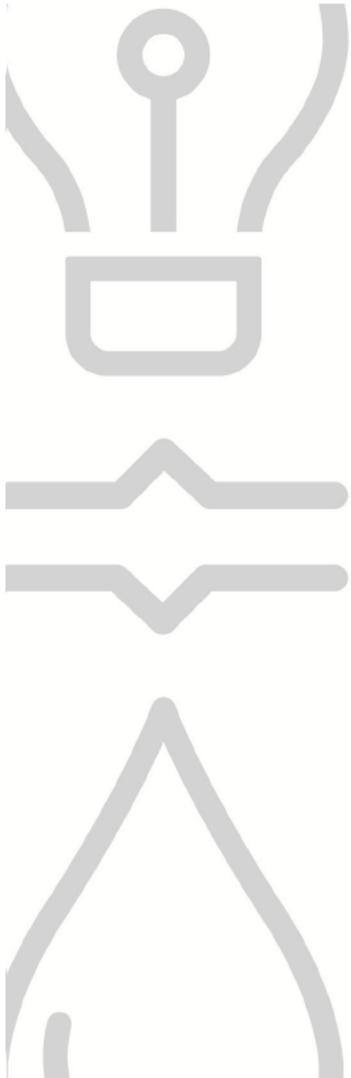
During the next period we intend to:

- Continue our maintenance and responsiveness levels
- Maintain our reliability and service by:
- Moving to risk-based and condition-based replacement and maintenance



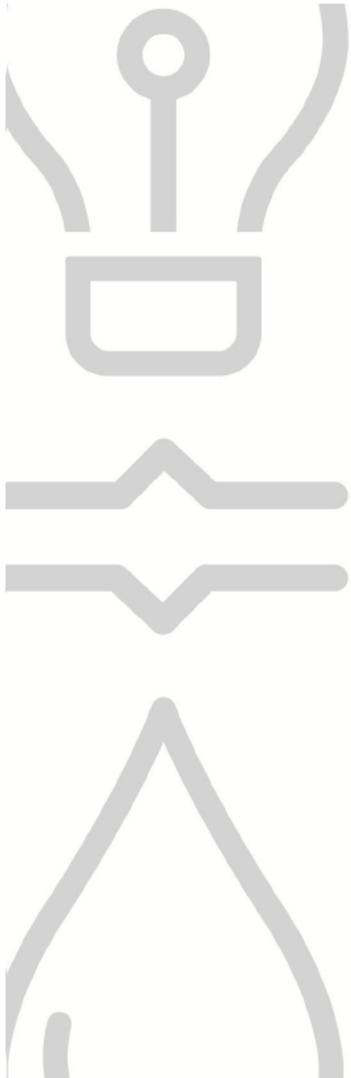
4. Supporting more renewable energy

- While renewable energy is a generation or customer choice issue, we are working to facilitate it, and use it where we can.
- Power and Water is working closely with the Government on its Renewable Energy Strategy – 50% by 2030 and has been engaging with its Expert Panel on the development of its Roadmap to Renewable Strategy.
- We have also recently completed a minor review of our solar PV connection policy to provide more flexibility to our customer's in connecting PV systems and align it with industry standards.



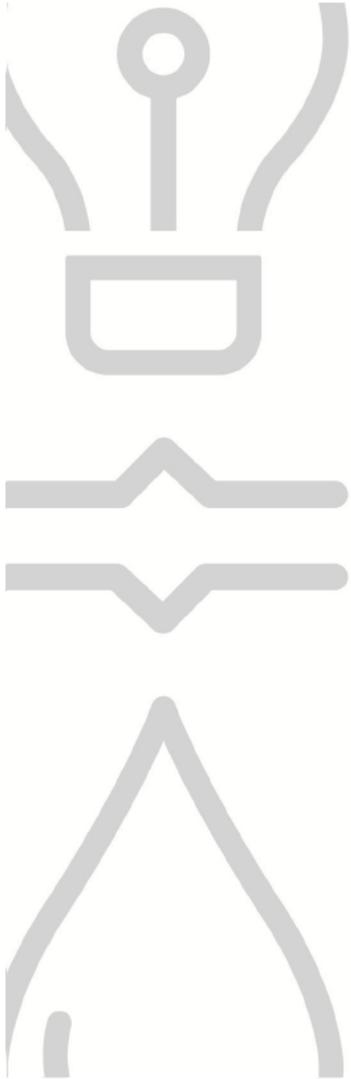
5. Better understanding Aboriginal customers

- Corporate wide responsibility. Best demonstrated through Regions and Remote and the IES
- A Procurement Indigenous Engagement Strategy is in place to support economic development in Indigenous businesses and for Indigenous people across the Northern Territory by increasing opportunities across our contracts.
- A mandatory assessment criteria weighting on Indigenous participation also applies to all Regions and Remote requests for quotation and tender documents.



Residential and SME market deliberative forums topics

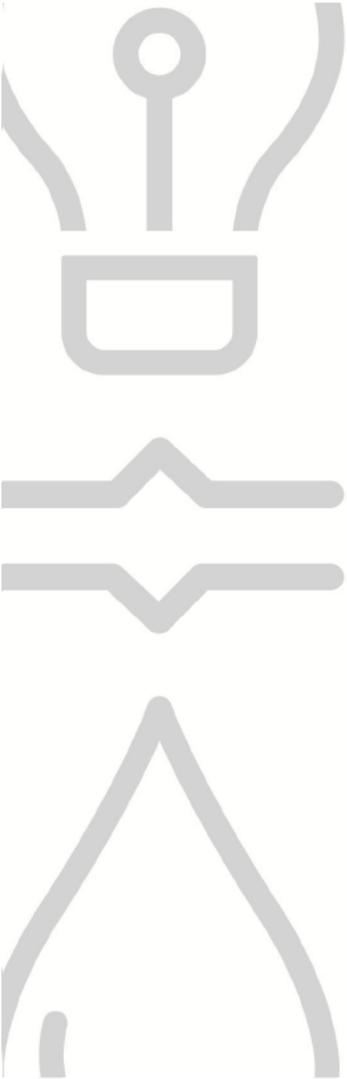
- **Reliability** | how often blackouts occur
- **Responsiveness** | how long blackouts last
- **Customer initiatives** | programs we can do to support certain customers
- **Mobile app** | what more should it be able to do?
- **Priority/Platinum services** | charging fees for above standard services
- **Undergrounding** | taking overheads underground



Phase 2 engagement

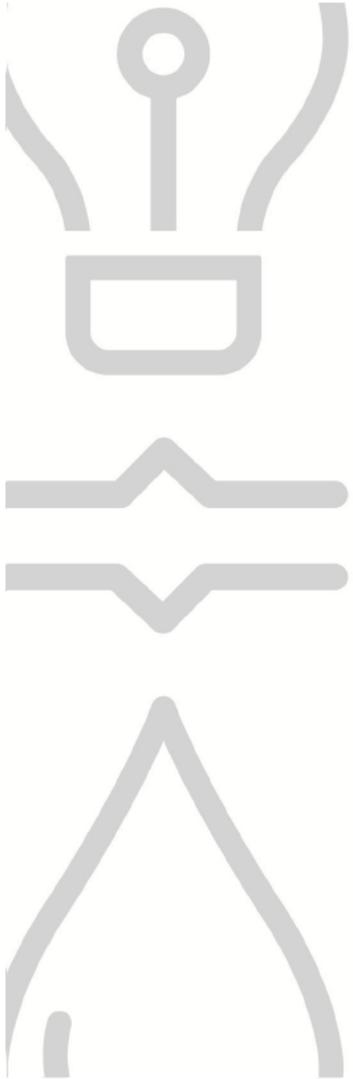
Consult | Today we will discuss the deliberative forums

- What topics we will test customer preferences on?
- What information we will provide to inform them when considering those questions?
- How we will use the engagement outcomes?

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Deliberative forums

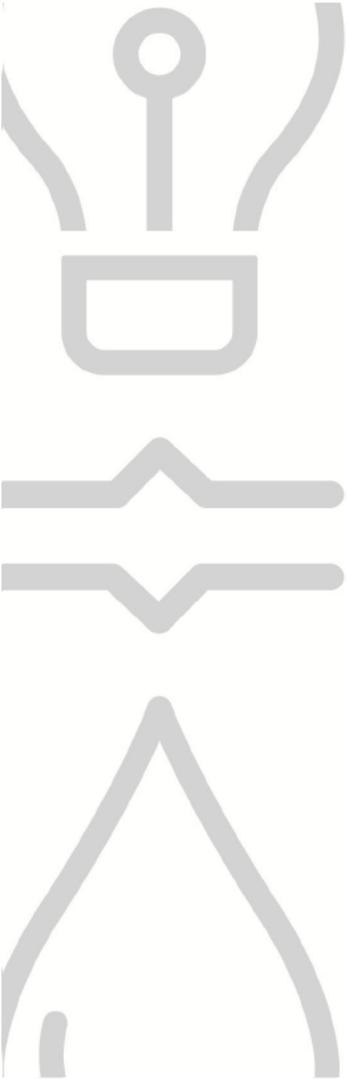
- What?
 - Power Networks' Senior Management will present on each topic
 - Newgate Research will facilitate questions
 - Participants will record their responses
- Where?
 - Deliberative forums
 - Darwin – Aug 2017 (35-40 participants)
 - Alice Springs – Aug 2017 (20-25 participants)
 - Major users forum in Darwin – Sep 2017 (invite all large users)



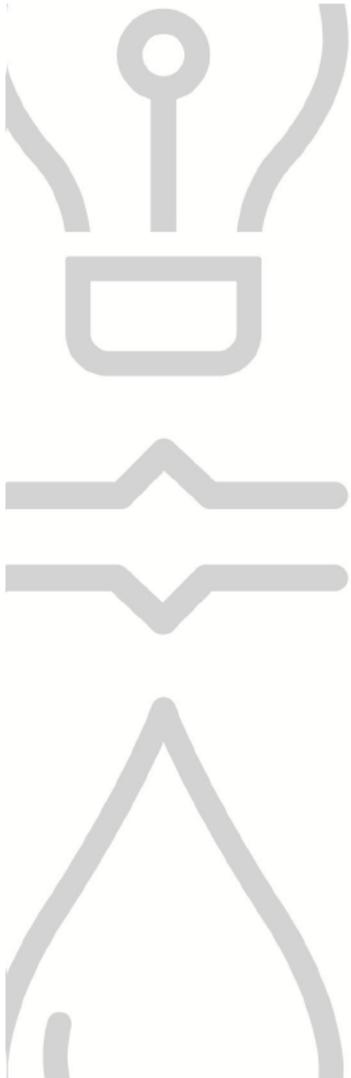
Questions & Feedback

A photograph of three workers in safety gear (hard hats, high-visibility jackets, and safety harnesses) reviewing a set of plans or documents. They are standing in front of a white utility truck with 'PowerWater' written on its side. The image is overlaid with a dark blue semi-transparent filter. On the left side, there are decorative white and yellow horizontal lines.

Power Networks Engagement Phase 2 design

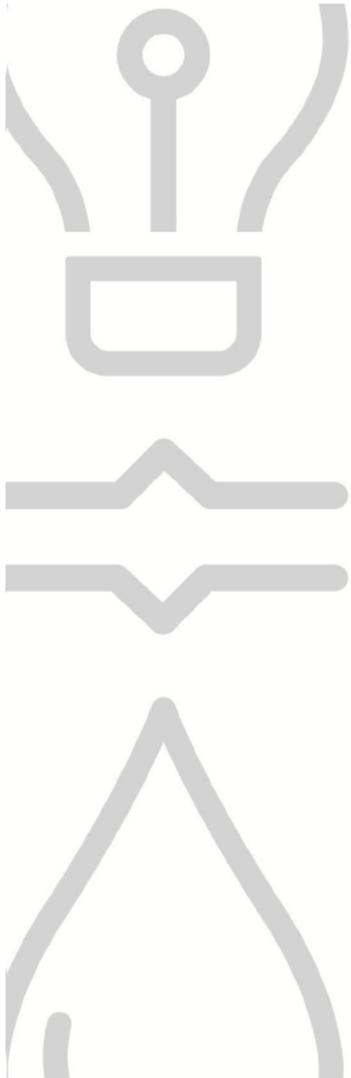
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- The EPO is a Government instrument that implements the uniform tariff policy and sets the maximum amount customers consuming below 750MWh are charged.
- We have targeted the pricing aspect of our engagement to:-
 - Retailers and policy makers through our pricing consultation paper – Jun 2017
 - Major users in a large user forum – Oct 2017
 - All stakeholders in our draft tariff structures statement customer overview – Sep 2017
- This approach reflects the policy and market context in NT



Tariff engagement design

- Recall that:
 - Approx. 200 sites who use >750Mwh pa and see network tariffs on their bills;
 - Everyone else is covered by the Electricity Pricing Order
- Our tariff engagement is designed to:
 - **Engage** our large users through large user forum, through ongoing engagement by our account managers
 - **Consult** market participants (e.g. retailers, government)
 - **Inform** our remaining unaffected customer base
- **Inform** | Today we will further explain the tariff designs for the unaffected customer base and explain how the pricing order ensures customers are not affected by the proposed structures .

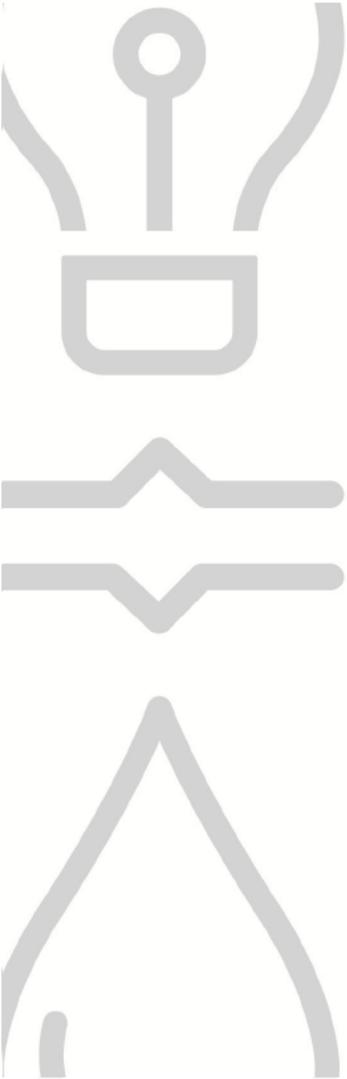


Large user forum

Test | Understanding of tariff structures and ability to respond to these.
Support for priority services fees.

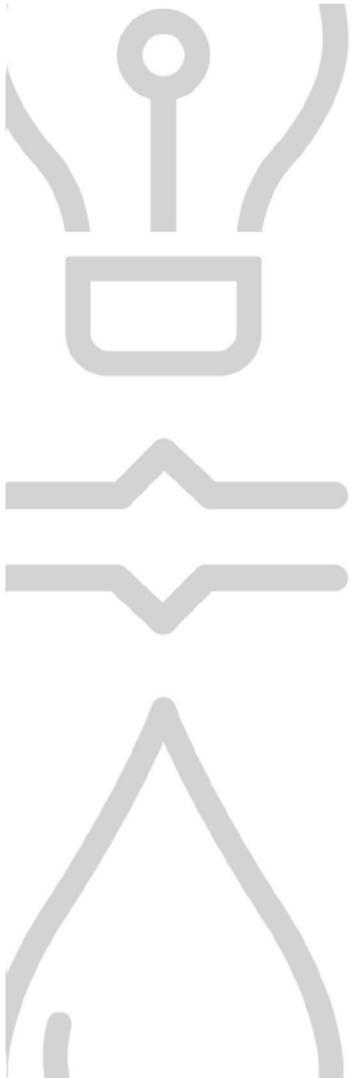
- Tariffs structures and levels
 - Seasonal demand charge
 - Energy charge
 - Transition and opt in arrangements
 - Indicative price levels for 2019-24
- Premium services

Use | To inform our network tariff strategy for transition for large users and our fee based service offering.

Three decorative icons in a light grey color. The top icon is a stylized flame or fire with a central vertical line and a circular top. The middle icon consists of two horizontal lines with a central peak and a central dip. The bottom icon is a stylized flame or fire with a central vertical line and a circular top.

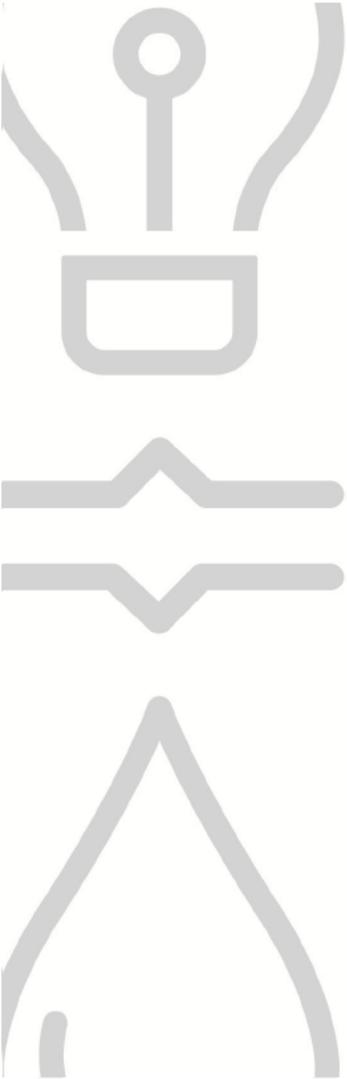
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Residential and SME market deliberative forums topics

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Reliability and responsiveness

Test | What are customers' preference based on the price impact?

- For reliability outline outages vs costs by region
 - Base case – pay current prices for [X] outages per year
 - Pay [x] more for [x] less outages better (\$ per outage);
 - Pay [x] less for [x] less reliability (\$ savings per outage)
- For responsiveness outline duration of outages by region
 - Base case – pay current prices for [X] minutes per outage
 - Pay [x] more for [x] less minutes (\$ per minute);
 - Pay [x] less for [x] more minutes (\$ savings per minute or hour)

Use | To inform our operating and investment plans and expenditure forecasts.



A grey icon showing a hand holding a tool, possibly a screwdriver, with a circular head and a vertical shaft, positioned above a rectangular base.

Customer funded initiatives

A grey icon showing a hand holding a tool, similar to the one above, but with a different head shape.

Test | Energy Audits: Are customers willing to fund residential energy audits to improve outcomes for certain customers?

Use | To inform our expenditure forecasts for any new activities.

A grey icon showing a hand holding a tool, similar to the ones above, but with a different head shape.

Test | Power and Water Mobile App: What enhancements would make you more likely to use it?

Use | To inform our future customer interface planning and IT expenditure

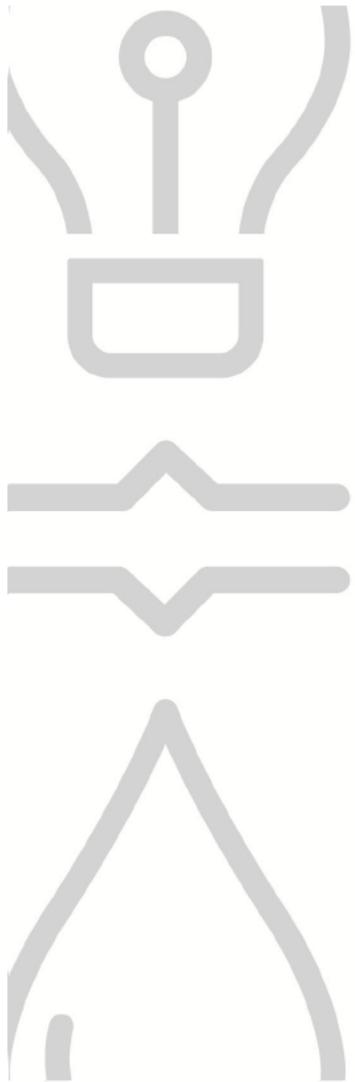
User pays services

Test | Do customers want us to offer a fee menu for **priority service options**?

Use | To inform our fee-for-service activity proposal (known as alternative control, fee based and quoted services).

Test | Do customers want us to offer a customer funded **undergrounding service**?

Use | To inform our fee-for-service activity proposal (known as alternative control, fee based and quoted services).



Questions & Feedback

A photograph of three workers in safety gear (hard hats, safety glasses, and high-visibility vests) standing in front of a white truck. They are looking at a document held by the worker on the right. The truck has 'PowerWater' written on its side. The image is overlaid with a dark blue semi-transparent filter.

PowerWater

Thank you

POWER AND WATER CORPORATION

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