



# Greenfields connections — customer service standard

October 2022

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## 1 Introduction

CitiPower, Powercor and United Energy are pleased to provide to the Essential Services Commission (ESC) our recommendations for the new Greenfields negotiated electricity connection customer service standards that will apply from 1 April 2023 to 31 March 2026.

The recommendations relate to all elements of our customer service standard including:

- customer outcomes statement, and the principles that we will follow when working with developers and their contractors
- regular meetings of a consultative committee
- performance reporting framework.

Our recommendations are based on engagement with stakeholders through our consultative committees, as well as through the learnings and the continuous improvement of previous customer service standards. Our performance reporting has demonstrated that we have delivered on improvements to streamline and expedite electricity connections at 'greenfields' sites through:

- continuous improvement and building effective business relationships between distributors and developers, and their contractors, to resolve issues that cause delays in the negotiated electricity connection process
- accountability and transparency about the time it takes to complete certain stages or steps of the negotiated electricity connections process.

Our ongoing engagement with the industry has allowed us to make substantial changes and improvements to how we deliver our connections process, including redesigning a new approach to expediting audits.

We are continuing to work collaboratively with Victoria's building and development industry to deliver further improvements that will support more Victorian families access housing more quickly.

## 2 Engagement process

In line with our current customer service standard, we meet quarterly with industry representatives (see below).

Industry attendance at the quarterly consultative committees has declined over time, reflecting the reduced number of issues with our connections process and timelines. Participants at the meetings have included:

- Urban Development Industry Association of Victoria (UDIA)
- ALDE
- Winslow
- Plan B
- Dennis Corp
- SMEC
- Property Council of Australia.

Table 1 Quarterly customer consultative committees

Year	Quarter	Consultative Committee meeting date
2021	1	April 2021
2021	2	July 2021
2021	3	November 2021
2021	4	February 2022
2022	1	May 2022
2022	2	August 2022

Source: CitiPower, Powercor and United Energy

At the August 2022 consultative committee, we sought feedback on the customer service standard that should apply going forward. The committee endorsed existing customer targets as relevant and suitable for 2023/24, with a request for one additional measure for Powercor to add a breakdown of field and non-field audit (e.g. desktop) volumes.

Separately, we have been engaging with the Department of Energy, Land, Water and Planning (DELWP) in relation to the expected Ministerial Order for regulating connection timeframes for greenfield housing developments. To achieve consistency between the ESC and DELWP processes, we have aligned the metrics to enable a single reporting framework.

### 3 Customer services standard

#### 3.1 CitiPower and Powercor customer outcomes statement

We are committed to ongoing collaboration with industry and continually seeking ways to fast track and simplify our connections processes, without compromising safety and reliability. As such, we will continue with the commitments (where relevant) which support the Customer Outcomes Statement.

CitiPower and Powercor and the residential development industry continue to aim to achieve the same result: safe, secure and reliable power for customers, together with timely connections to allow more Victorians to move into their new homes promptly.

CitiPower and Powercor and the industry representatives agreed to continue to work together to achieve an overall reduction in the timelines across the design and audit process, focusing on the following customer outcome statements:

- Time reduction in the final stage
  - A reduction in the turnaround time on ‘greenfield projects’ between when the development either receives practical completion from the local council, or the local council deems the work completed following a council inspection and when CitiPower and Powercor consents to the issue of the Statement of Compliance.
- Continued focus on process efficiency
  - A continued focus on reducing the overall time across the audit process. This has been delivered through a customer-focused approach at all stages of the approval process. CitiPower and Powercor recognise and reward consistent high quality and safe work of contractors and consultants through non-disruptive audit practices and fast approval processes. Where necessary, we proactively work with developers and contractors to ensure their work meets safety and reliability standards.

We have worked closely over the past two years with the residential development industry to address perceived delays and inefficiencies in our ‘greenfields’ connections processes. During that time, we have:

- established a quarterly consultative committee. Meetings present performance measures, seek new and continued progress of ongoing improvement initiatives and seek feedback and suggestions for further enhancement/consideration ahead of market changes. Meeting minutes are published transparently on our website
- satisfactorily completed all customer commitments set forward in 2020 with agreement from the committee

- committed to improved customer experience, greater transparency and accessibility to senior managers. This has been achieved through the creation of a dedicated contestable works team within our customer operations group. The team oversees the 'greenfields' connections process end to end, operationally and strategically
- introduced our contractor rating program (CRP), whereby option 2 project managers and Victorian Electrical Distribution Networks (VEDN) Auditors are rated based on performance over a rolling six-month period. Participants earning an 'A' grade are rewarded with no requirement for a final audit prior to consent to Statement of Compliance.
  - as at October 2022, 12 of 15 Option 2 project management businesses are rated 'A' or above (one 'B' & two 'C') and 6 of 10 VEDN audit companies are rated 'A' or 'B' (two 'C' & three 'D')
  - CRP changes to our audit practices have delivered tangible benefits to industry since 2021 with 265 of 577 audits being 'reduced audits' requiring zero excavations (previously all audits required multiple machine excavations) leading to ~1300 fewer excavations during this period compared to previous years
- extended the contractor rating program to include 'AA' and 'AAA' ratings reducing excavation-based audits to only 30% of projects.

### 3.2 United Energy customer outcomes statement

We are committed to ongoing collaboration with industry and continually seeking ways to fast track and simplify our connections processes, without compromising safety and reliability. As such we will continue with the commitments (where relevant) which support the Customer Outcomes Statement.

United Energy has, and will, continue to deliver commitments related to the Customer Outcomes Statements:

- United Energy and the residential development industry are committed to maintaining a strong working relationship to deliver a small, but important, number of 'greenfield' URD electricity connections each year. United Energy will continue to seek improvements in its due diligence process to maintain, and where possible, improve timelines without sacrificing the delivery of safe, secure and reliable power for residents
- By engaging with industry, United Energy will continue to work to refine internal processes to reduce the effort on the part of developers and their contractors to progress through a contestable project lifecycle.

The delivery of the tasks against our Customer Outcomes Statement is shown in Table 2 below.

**Table 2 Delivery of United Energy Customer Outcomes Statement**

#	Task	Status	Continuous (Yes/No)
1	Improve timelines without sacrificing the delivery of safe, secure and reliable power for residence	Delivering	Yes
2	Aim to maintain a strong working relationship with the development industry	Delivering	Yes
3	Delivering a small but important number of connections to greenfield housing estates	Delivering	Yes
4	Refine internal processes	Completed	No
5	Streamlining the ways developers can be granted statements of compliance release	Completed	No

We have worked closely over the past two years with the residential development industry to address any perceived delays and inefficiencies in our greenfields connections processes. During that time, we have:

- met 100 per cent of all performance measures
- maintained close engagement with stakeholders (developers/consultants) in the development industry
- published a major revision to our Tendering Policy to provide greater clarity and guidance for customers considering available contestability options
- implemented a major revision to the contestable works contract for new contestable offers. The revised contract is concise and clearly sets out the rules of engagement for successfully navigating through current contestable management processes
- recently rolled out “MyEnergy”, an online portal which further facilitates efficiencies in delivery and customer service – now enabling customers and contractors to make connection applications for housing estates on a platform that serves as a one stop shop
- in-sourced management of the contestable program as an initiative to elevate customer service. Since in-sourcing, the contestable program has solicited positive feedback from both customers and consultants alike
- participated in the Greenfield Consultative Committee forum every quarter reporting project performance, seeking feedback and improvement suggestions from industry representatives.

### **3.3 CitiPower, Powercor and United Energy principles**

To achieve the performance metrics, the Victorian development industry, CitiPower, Powercor and United Energy have agreed to the following principles. These will continue to guide our interaction with developers and contractors in relation to underground connections in new residential developments in greenfield areas:

- the safe connection of reliable electricity supplies to their new property is the ultimate expectation of our mutual customers
- the safety and stability of the network is essential to delivering these customer outcomes
- commitment to working together to continue to reduce timeframes for the overall connections process and understanding that this may require changes to the current process and targets deployed by both industry and the networks
- provide a collaborative and flexible framework to these issues on the expectation that is the most proactive way to yield the positive results across industry
- maintain open communication and regular forums and reviews while maintaining clear communication pathways between decision-makers on both sides
- improve communication and accountability between the distributors and developers to present clear timelines, requirements and key milestones in each project
- work with industry to provide guidance on industry-led development and training of contractors and consultants.



#### **4 Customer consultative committee**

Following discussion between industry and CitiPower, Powercor and United Energy, it was agreed that a customer consultative committee would be established under the terms of reference in December 2020.

The terms of reference are proposed to remain unchanged, with the exception that meetings will be held six-monthly and be of one hour duration. While we will meet every 6 months, we will continue to compare our performance to the metrics on a quarterly basis.

## 5 CitiPower and Powercor performance reporting recommendation

We propose to amend our performance reporting standards to achieve consistency between the ESC and DELWP processes and enable a single reporting framework. Commencing 1 April 2023, we will focus on the following metrics as part of our customer service standards.

**Table 3 CitiPower and Powercor performance metrics (timeframes from date of request with all relevant information)**

Metric	Measure	Performance target	Compliance target	Penalty application	2022 target (business days)	Actual YTD 2022
<b>Design review</b>	Average business days	15 days	20 days	Full year average >20	16 days	23.4 days
<b>Requested final audit (first audit)</b>	% completed within timeframe (business days)	70% within 6 days	70% within 8 days	Full year percentage <70% within 8 days	70% within 6 days	44% within 6 days
<b>Countersign certificate of practical completion</b>	% issued within timeframe	90% within 5 days	90% within 5 days	Full year percentage < 90% within 5 days	90% within 5 days	90.8% within 5 days

The timeframes are calculated from the date we receive a request with all relevant information, including any further information requested to remedy a deficiency in the information provided, or any further information we require to enable an assessment of an application.

We believe the proposed metrics are the most relevant to the process' critical path and as such, important to our customers. Achievement of proposed metric targets will require investment, careful management and a focus on continuous improvement whilst still allowing flexibility to meet varying customer needs.

Two types of targets have been proposed for these metrics – 'compliance targets' and 'performance targets'. The 'compliance target' is the timeframe where penalties can be applied in conjunction with the 'penalty application' criteria. I.e. penalties to apply where compliance targets are not achieved across a full calendar year. The 'performance target' is the timeframe CitiPower/Powercor commits to meeting for the customer.

We note that the previous metric for 'Masterplan review' is not being retained as it is difficult to accurately measure.

## 5.1 Explanation of metrics

Table 4 CitiPower and Powercor detailed description of performance metrics

Metric	Description	Justification	Clock start/stop
<b>Design review</b>	<ul style="list-style-type: none"> <li>• Distribution review of proposed contestable (option 2) i.e. residential estates, electrical asset installation</li> <li>• Review/confirms compliance with technical standards and network policy</li> <li>• Identified non-compliances are to be resolved by the applicant</li> </ul>	<ul style="list-style-type: none"> <li>• Thorough review of designs is critical to an efficient end to end process. Errors made in design will slow other steps, in particular final audit</li> <li>• Completion of design review and correction of any non-compliances identified enables asset installation</li> </ul>	<ul style="list-style-type: none"> <li>• Start: receipt of draft plans</li> <li>• Stop: distributor approval / rejection</li> </ul>
<b>Final audit</b>	<ul style="list-style-type: none"> <li>• Distribution audit/inspection of 3rd party contractor installed assets prior to submission of 'practical completion'</li> <li>• Audit will include a range of on-site inspection, including mechanical excavations or digital/photographic review</li> <li>• Frequency of mechanical excavations aligned with Contractor Rating Program grading</li> <li>• 'A' grade participants are granted Statement of Compliance (SOC) on application for audit</li> <li>• Audit defect findings to be resolved by developer/applicant</li> </ul>	<ul style="list-style-type: none"> <li>• Audit ensures safe, reliable supply of electricity to customers</li> <li>• Audit was previously a bottleneck but has been fast tracked and made more effective through industry collaboration and a range of process and technology initiatives</li> <li>• Successful audit outcomes positively influence the contractor ratings</li> </ul>	<ul style="list-style-type: none"> <li>• Start: application for audit</li> <li>• Stop: issuance of audit report</li> </ul>
<b>Certificate of practical completion</b>	<ul style="list-style-type: none"> <li>• Distributor counter signature of 'certificate of practical completion'</li> <li>• Required to allow developer to request handover of assets and commence tie-in process</li> </ul>	<ul style="list-style-type: none"> <li>• The final step before (prerequisite for) handover of electrical assets to the distributor</li> </ul>	<ul style="list-style-type: none"> <li>• Start: Submission of request (post approved audit)</li> <li>• Stop: Countersigned, certificate from distributor (in mySupply)</li> </ul>

## 6 United Energy performance reporting recommendation

We propose to amend our performance reporting standards to achieve consistency between the ESC and DELWP processes and enable a single reporting framework. Commencing 1 April 2023, we propose to focus on the following metrics as part of our customer service standards.

Table 5 United Energy performance metrics (timeframes from date of request with all relevant information)

Metric	Performance target	Compliance target	Penalty application	2022 YTD volumes	Actual YTD 2022
<b>Design reviewed</b>	Within 20 business days	Average ≤ 20 business days	Full year average > 20 business days	28	100%
<b>Authority to construct</b>	Within 10 business days	Average ≤ 10 business days	Full year average > 10 business days	2	100%
<b>Authority to commission</b>	Within 10 business days	Average ≤ 10 business days	Full year average > 10 business days	4	100%

Two types of targets have been proposed for these metrics – ‘compliance targets’ and ‘performance targets’. The ‘compliance target’ is the timeframe where penalties can be applied in conjunction with the ‘penalty application’ criteria i.e. penalties to apply where compliance targets are not achieved across a full calendar year. The ‘performance target’ is the timeframe United Energy commits to meeting for the customer.

We note that the previous metric for ‘Masterplan review’ is not retained as it is difficult to accurately measure.

## 6.1 Explanation of metrics

Table 6 United Energy detailed description of performance metrics

Metric	Description	Justification	Clock start/stop
<b>Design review</b>	<ul style="list-style-type: none"> <li>• Distribution review of proposed residential estate electrical asset installation</li> <li>• Review confirms compliance with technical standards and network policy</li> <li>• Identified non-compliances are to be resolved by the applicant</li> </ul>	<ul style="list-style-type: none"> <li>• Thorough review of designs is critical to an efficient end to end process. Errors made in design will slow construction and cause audit non-conformances</li> <li>• Completion of design review and correction of any non-compliances identified enables asset installation</li> </ul>	<ul style="list-style-type: none"> <li>• Start: Receipt of draft plans with all supporting information/resubmission</li> <li>• Stop: UE design review feedback or UE acceptance</li> </ul>
<b>Authority to Construct (ACC)</b>	<ul style="list-style-type: none"> <li>• Governance step for distributor to verify parties engaged for construction activities have current insurances, personnel are competent and accredited to undertake works on UE's network.</li> <li>• Required to allow developer to initiate construction on site and undertake staged auditing (developer and network audits).</li> </ul>	<ul style="list-style-type: none"> <li>• Enables detailed design to be constructed</li> <li>• Thorough review of engaged construction parties. Ensures that construction parties engaged are accredited and understand UE construction standards, processes and policies.</li> </ul>	<ul style="list-style-type: none"> <li>• Start: Receipt of ACC request with all supporting information</li> <li>• Stop: UE acceptance and issue of ACC document, or rejection</li> </ul>
<b>Authority to Commission (ACCC)</b>	<ul style="list-style-type: none"> <li>• Distribution review of staged auditing and if satisfactory, issue ACCC document to enable commissioning of installed asset</li> <li>• Required to allow developer to trigger final network audit</li> </ul>	<ul style="list-style-type: none"> <li>• The developer can request "Early Release of contest to SOC" when requesting ACCC</li> <li>• Enables installed assets to be commissioned and be subsequently ready for the final network audit and asset handover.</li> </ul>	<ul style="list-style-type: none"> <li>• Start: Receipt of ACCC request with all supporting information</li> <li>• Stop: UE acceptance and issue of ACCC document, or rejection</li> </ul>