

Attachment 2.01

Ausgrid's customer engagement strategy

May 2014



Consumer Engagement Strategy

Introduction

Ausgrid has traditionally engaged with its customers, consumers, community and stakeholders via face to face briefings, meetings, letters and presentations. In the lead up to the drafting of regulatory submissions these activities have generally increased.

Communication with customers has generally occurred via telephone or email, particularly with individual customers who had questions or comments about Ausgrid's operations. The views of customers have also been represented in the media, particularly over the past five years as customers voiced concerns about electricity prices.

More recently Ausgrid and its customers have increasingly been using social media channels to share their views, pose questions and find out more information about a range of issues spanning Ausgrid's operations.

This has proven to be an effective, low cost and efficient way of capturing the views of consumers in an open and consultative environment. New consumer engagement guidelines introduced by the Australian Energy Regulator have led Ausgrid to review the way it communicates and engages with its customers and electricity consumers more broadly.

This consumer engagement strategy will be an important step in that review process. It will guide how Ausgrid intends to discuss and consult on its 2014-19 Regulatory Submission and wherever possible incorporate the views of its customers and stakeholders into its decision making process.

This strategy will be reviewed from July 1, 2014 to determine which engagement strategies have worked and which ones should be incorporated into long term business activities. By giving customers greater opportunities to communicate with us, we hope that we can learn more about their views and better align our operations to their long term interests.

This strategy has been reviewed and endorsed by Ausgrid's Executive Leadership Team. To ensure it remains effective and relevant, it will be reviewed regularly by this senior leadership group and communicated via our website to consumers, our customers, stakeholders and the community.



Trevor Armstrong
Chief Operating Officer

Objectives

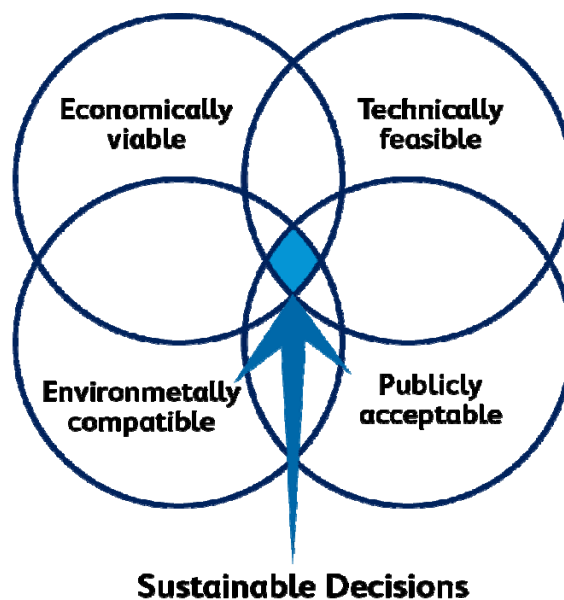
This strategy will help create more opportunities for Ausgrid to better understand the views, expectations and preferences of its customers and stakeholders. It will help give consumers more opportunity to understand and influence the operations and decision making process at Ausgrid.

It will lay the platform for the delivery of services that are more customer-focused and network prices that represent the best value for money for customers.

This Consumer Engagement Strategy will help Ausgrid achieve the following objectives:

- Identify and monitor customers' needs, perceptions and preferences via data analysis, research and proactive communications and consultation
- Inform and educate customers, consumers, the community and stakeholders
- Help customers provide more effective feedback, offer ideas, raise concerns and make more informed decisions
- Provide more frequent two-way communication to identify and respond to issues as they emerge
- Provide accessible, comprehensive and timely information to our customers and key stakeholders using a variety of existing and new communication channels
- To set realistic expectations for consumers on how they can influence outcomes
- Report back to customers and stakeholders on how input has been considered and how it has or hasn't influenced outcomes.

By supporting these objectives, this strategy will help deliver more sustainable decision making by balancing the need to ensure our operations are technically feasible and economically viable as well as acceptable to the community and the local environment.



Engagement principles

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

Principle	Impact on our engagement activities
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.

Our target audience

The engagement activity to be guided by this strategy will be targeted at the community we serve, our customers, electricity consumers and key stakeholders.

Customers: Our customers include homes and businesses connected to our electricity network.

Consumers: Consumers include the people who use the power from our network. They include both customers and stakeholders.

Community: Our community includes the neighbourhoods serviced by our network. It is made of customers, consumers and other organisations that rely on a safe and reliable supply of electricity as they go about their daily activity.

Stakeholders: Our Stakeholders are organisations, institutions or individuals who speak on behalf of our customers, consumers or our community such as peak associations, consumer groups and different levels of government.

There are more than 1.64 million customers connected to Ausgrid's electricity network. The network spans more the 22,000 square kilometres across much of Sydney, the Central Coast and Hunter Valley in NSW.

Households and small and medium businesses make up about 99 per cent of these customers. They are mainly concentrated in densely populated urban areas with some also located in rural or semi rural areas in the Hunter Valley and Central Coast.

Ausgrid's customers expect direct contact on issues that directly affect them such as their power supply, works on the network that impact their neighbourhoods and public safety.

They also engage through organisations such as elected representatives, associations and special interest groups.

These stakeholders are more likely to engage on industry wide issues such as network policy and procedures, prices and charges, welfare and issues specific to a region or special interest.

There are a much smaller numbers of large customers from the government, commercial and industrial sectors. However, these customers consume large amounts of electricity and perform an important role in the wider economy and community. They have specific requirements for the safe connection and supply of electricity and an impact on their operations can have a direct and serious impact to the wider community.

As such, they warrant tailored communication and engagement. This includes local councils who are supplied with street lighting services from Ausgrid.

As a part of its engagement approach, Ausgrid will segment these audiences to allow for more meaningful and targeted engagement. This will be done on customer type, on geography and areas of interest.

Different forms of engagement activity will be undertaken to allow these different groups greater opportunity to participate.

Group	Members	Stakeholders	Interests
Welfare and Customers in need	<ul style="list-style-type: none"> • Low income Customers • Housing NSW tenants • Pensioners • Disability support • Non-English speaking communities 	<ul style="list-style-type: none"> • Welfare Groups • State and Federal government Departments • Consumer advocacy groups 	<ul style="list-style-type: none"> • Electricity prices • Customer support and communication • Metering • Reliability
Rural customers	<ul style="list-style-type: none"> • Customers situated in remote or regional areas in Ausgrid's network. 	<ul style="list-style-type: none"> • Local councils • Farming and irrigators associations • Members of Parliament 	<ul style="list-style-type: none"> • Electricity prices • Bushfire mitigation • Private installation policy • Metering • Reliability
Residential customers	<ul style="list-style-type: none"> • Standard residential customers connected to the Ausgrid network. 	<ul style="list-style-type: none"> • Local councils • Resident groups and associations • Members of Parliament 	<ul style="list-style-type: none"> • Electricity prices • Reliability • Metering • Customer support and communication • Capital works
Business customers	<ul style="list-style-type: none"> • Small businesses • Medium businesses • Large industrial users 	<ul style="list-style-type: none"> • Chambers of Commerce • Industry Associations • Members of Parliament 	<ul style="list-style-type: none"> • Electricity prices • Connection policy • Reliability • Capital works
Education groups	<ul style="list-style-type: none"> • Schools • Universities and TAFE 	<ul style="list-style-type: none"> • Educational associations • Government Departments 	<ul style="list-style-type: none"> • Apprenticeships • Training • Graduates and Cadetship • Community partnerships
Street lighting customers	<ul style="list-style-type: none"> • Local Councils • RMS 	<ul style="list-style-type: none"> • Street lighting managers 	<ul style="list-style-type: none"> • Street lighting services • Street lighting price

Ausgrid will engage directly with customers, consumers and stakeholders based on the grouping but also based on their local areas or geography. It is proposed to engage based on the following geographical areas.

Geographical areas



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

Engagement process

Ausgrid’s engagement process will follow four broad areas. These include:



A description of each step is listed in the following table.

Steps	Description
	<p>Research and analysis to determine customers' expectations, perceptions, views and priorities.</p> <p>This includes qualitative and quantitative research with representation across key customer segments. Analysis includes review of existing customer communication, feedback and complaints.</p>
	<p>Information provided on Ausgrid's operation and plans for the next five years, including long term pricing strategy options.</p> <p>This will occur via social media channels, stakeholder presentations and forums, and written communication.</p>
	<p>Feedback provided via two-way communication with customers and stakeholders where information and advice is gathered and views are exchanged, including advice on regulatory and decision making process.</p> <p>We will listen to customer feedback and ideas and take it into consideration as part of our planning and decision-making processes.</p>
	<p>Review engagement activity and report back to customers and stakeholders.</p> <p>Clearly demonstrate results of engagement and how they have influenced operations, policies and procedures. Endeavour to make analysis and reports accessible via website and other channels.</p>

Engagement Activity

Ausgrid will apply its engagement principles and processes to the following activity with the specific aim of supporting the upcoming regulatory determination. These activities will be evaluated to determine their success and whether they should be incorporated in ongoing engagement activities.

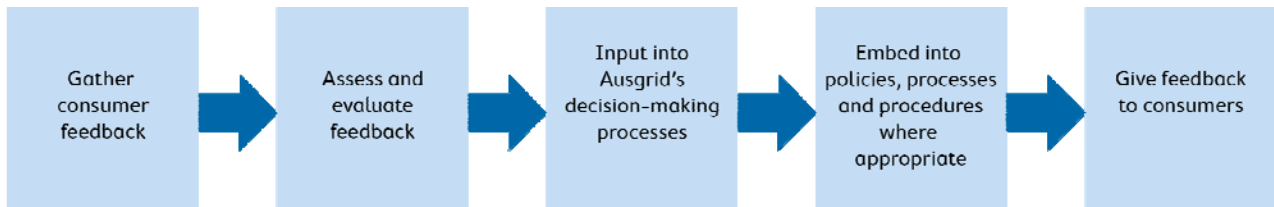
Existing engagement activities	New engagement activities	Review and evaluation of engagement activities	Embed activities and report
<ol style="list-style-type: none"> Analysis of customer views from existing channels: <ul style="list-style-type: none"> Two years of social media and traditional media interaction 12 months community consultation 12-18 months of customer correspondence, EWON reports Qualitative and quantitative customer research over multiple customer segments Targeted stakeholder meetings, forums and presentations 	<ol style="list-style-type: none"> Social media campaign to provide new channel for open and two way dialogue on BAU operations and new proposals New website page for consumer access to engagement activity information and feedback Joint presentations to common NSW stakeholders Presentations to unique Ausgrid stakeholders. Report how success of engagement will be measured. 	<ol style="list-style-type: none"> Presentation of engagement activity reports via: <ul style="list-style-type: none"> Letters Presentations/forums Website page Social media channels Report on how engagement results have/have not been adopted or influenced activities. 	<ol style="list-style-type: none"> Comprehensive review of all engagement activities. Publish reports via: <ul style="list-style-type: none"> Website Social media Stakeholder contact Embed engagement activities Follow up stakeholder and engagement forums
Pre-Oct 2013	Nov 2013- June 2014	May 2014	June 2014- ongoing
<ul style="list-style-type: none"> Understand needs 	<ul style="list-style-type: none"> Inform and build knowledge Consult and involve 	<ul style="list-style-type: none"> Review and Report 	

Increasing engagement activity should result in an increasing amount of consumer and customer feedback becoming available to Ausgrid.

This feedback will be incorporated into Ausgrid's businesses as usual decision making process. This feedback should also be included in decision papers, policy and procedure decision documents. Activity reports should be presented to steering committees with clear actions or recommendations for consideration.

An annual community engagement report, including a summary of findings, reviews, changes and recommendations will be prepared for consideration by Ausgrid's senior leadership team.

This report will be presented back to Ausgrid's community, customers, consumers and stakeholders, clearly showing how they can access and influence the decision making process.



Measurement

To determine the success of our customer engagement plan we will measure:

- Direct feedback from customers and stakeholders
- Attendance at workshops and participation in surveys
- Online interaction including social media and website
- AER assessment of Ausgrid's compliance with the National Electricity Rules
- Cost of engagement activity to ensure customer value.
- Impact on Ausgrid's operations, policies and procedures

Supporting documentation

Where ever possible supporting documentation and results of engagement activity will be made available on Ausgrid's website and communicated on Ausgrid's social media channels.