

ICT Asset Strategy 2024 - 2029

Investment Brief

Meeting core customer expectation for a safe, affordable
and reliable electricity supply

Document Version: 2.0

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1 Document Background

1.1 Purpose of this document

The purpose of this document is to outline a business case for a proposed program of work that will form part of Endeavour Energy’s ICT Asset Strategy 2024-2029.

1.2 References

Document	Version	Author
Future Investment Scenario Planning	Final report – March 2022	Endeavour Energy
Business Narrative Regulatory Reset 2024-2029	Draft V2 – February 2022	Endeavour Energy
Endeavour Energy Stakeholder & Community Reputation Benchmark Study	05 February 2022	Endeavour Energy
ICT Asset Strategy 2024-2029	Draft V0.1 – June 2022	Endeavour Energy
SEC Newgate Research Focus Group Outcome Report	December 2021	Endeavour Energy
Future Grid Strategy A summary of the key focus areas for our Future Grid Strategy that underpins the 2024 – 2029 Regulatory Proposal	November 2022	Endeavour Energy

1.3 Document History

Date	Version	Comment	Author
20 June 2022	0.1	Initial Draft	
07 September 2022	0.2	Second Draft	
09 September 2022	0.3	Updated initiatives, costs and structure as per feedback from Barry Pendle	
30 September 2022	1.0	Updated with feedback from Rod Howard, Barry Pendle and Lisa Cueno	
02 November 2022	1.2	Refreshed financial details	

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20 December 2022	2.0	Final version	
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1.4 Approvals

Position	Date
Head of Technology	21/12/2022

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2 Strategic Context

There are four priority themes that underpin Endeavour Energy’s Purpose, Vision and Strategic Goals, which will inform development of our expenditure plans and forecasts for the 2024 - 2029 regulatory period.

This investment brief addresses the non-system ICT investment required to support the priority theme “Meeting core customer expectation for a safe, affordable and reliable electricity supply”. We continue to invest in the replacement and renewal of assets across our network to ensure we meet our customers’ expectations for a network that is safe for both our workers and the community we serve and provides a reliable electricity supply to our customers. Customers’ expectations regarding network reliability have increased over time, while affordability remains a significant concern. This will require smarter, more efficient investment. This investment theme links closely to our strategic goals of: Customer & Communities and Performance. Additionally, it supports our vision to be amongst the best performing networks in Australia as measured by safety, customer engagement and financial performance metrics and ensures overall cost of providing electricity services is efficient.

In developing our non-system ICT programs, we also consider the National Electricity Objective (NEO) “to promote efficient investment in, and efficient operation and use of, electricity services for the long-term interests of consumers of electricity with respect to:

- price, quality, safety and reliability and security of supply of electricity
- the reliability, safety and security of the national electricity system.”

In a Customer Panel conducted with Endeavour Energy customers, the participants highlighted the importance of meeting core customer expectation for a safe, affordable and reliable electricity supply through the following verbatim responses:

- “I feel that a rapid transition will bring forward potential savings for customers via connections to community batteries and energy trading. It also allows Endeavour Energy to be at the forefront of new technologies in this area and allows them to assist in shaping it. A modest investment of \$9 a year will unlock many benefits in the near future for customers.” – *Residential, Innovator, South-west Sydney*
- “I think in the long run it would be investing and exploring all the options available, instead of waiting for evident trends. Also, customers would have more options to explore what would be the best solution for them.” – *Residential, Innovator, high-energy user, South-west Sydney*
- “In my opinion, this is the most reliable approach to achieving the most advanced technology, customer independence and affordability.” – *General residential, CALD, South Coast*

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Endeavour Energy’s priority themes underpin our Purpose, Vision and Strategic Goals from 2024 – 2029 as identified in **Figure 1**. The priority themes are reliant on investment in information technology to deliver the information, infrastructure, and capability across the breadth of our customer base, and to support the ecosystems of employees, contractors and suppliers who deliver the services that customers expect.





Purpose	Powering communities for a brighter future				
Vision	To be amongst the best performing networks in Australia as measured by safety, customer engagement and financial performance metrics				
Strategic Goals	1. Health, safety & environment <ul style="list-style-type: none"> Establish an organisation-wide culture of safety Establish streamlined systems and processes 	2. Employee engagement <ul style="list-style-type: none"> Lift Performance through clear expectations and performance-oriented mindsets Build leadership capability 	3. Customer & communities <ul style="list-style-type: none"> Establish easy connection with customers Enhance recognition by customers through valued interactions and relationships 	4. Performance <ul style="list-style-type: none"> Optimise work program and risk allocation Improve quality, speed and cost to deliver 	5. Growth through innovation <ul style="list-style-type: none"> Leverage existing asset base to create value Augment network with smart investments and new technology
Priority Themes	 Safe, affordable & reliable	 Resilience	 Sustainable growth	 Future Energy Choice	

Figure 1: Priority Themes

This investment brief identifies four key drivers related to the priority theme. For each of these drivers, we have identified the challenges for investment, the benefits that can be realised, and the objectives that can be met and outcomes achieved through delivery of a strategic response (i.e., programs).

The drivers, core benefits and strategic responses are illustrated at a high level through an Investment Logic Map in **Figure 2**.

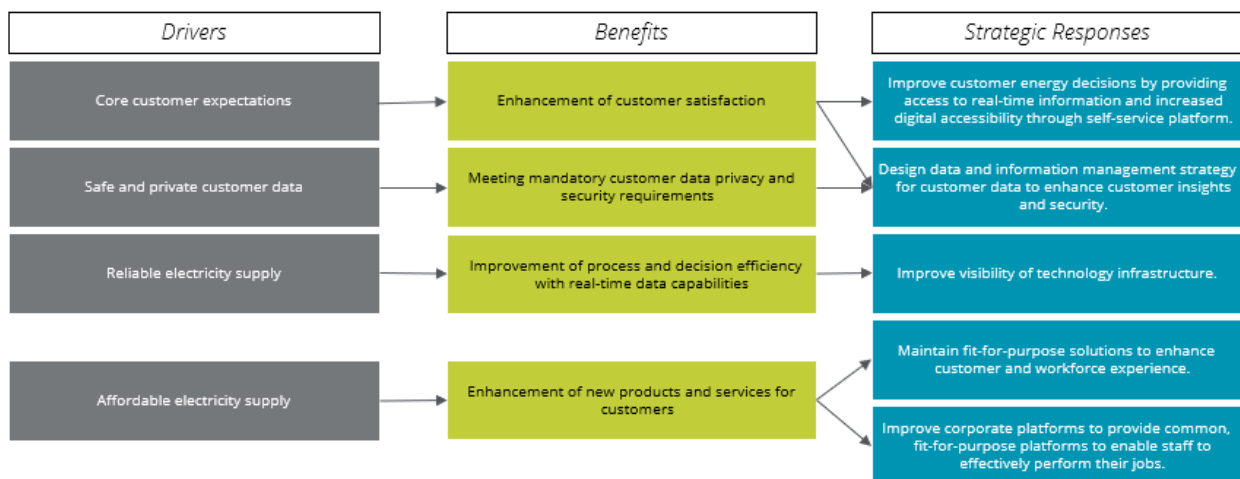


Figure 2: Investment Logic Map

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2.1 Drivers and challenges

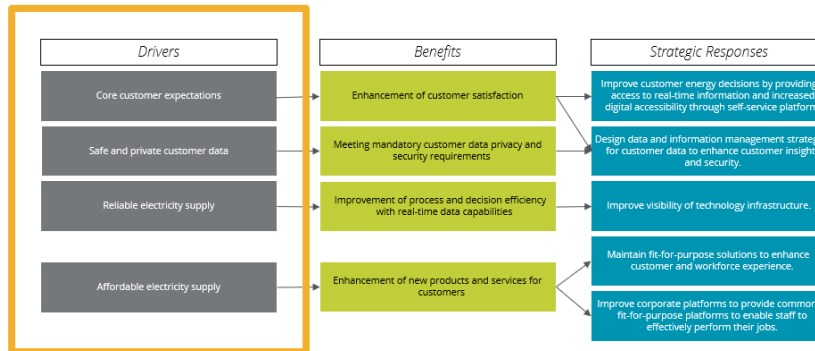


Figure 3: Investment Logic Map identifying four key drivers of core customer expectations, safe and private customer data, reliable electricity supply and affordable electricity supply.

The drivers and challenges for investment reflect the feedback received from the Endeavor Energy Stakeholder & Community Reputation Benchmark Study delivered in February 2022:

- Approximately 8 out of 10 stakeholders believed it is very important for Endeavour Energy to ‘deliver a reliable supply of energy’, ‘focus on safety’ and to ‘help make energy affordable for customers’
- Approximately 7 out of 10 stakeholders believed it is very important for Endeavour Energy to ‘respond efficiently to feedback’ and to ‘use innovative technology to improve customer experience’.

The four key drivers for investment for this priority theme are:

- Core customer expectations.** Customer expectations for differentiated, personalised and timely services, seamless transactions, and accurate information, are increasing. This customer focus on needs and experiences, from high energy users through to empowered prosumers and pensioners, will ensure customers continue to play a central role in the operation of the network as it evolves to a platform for energy services.

To meet these expectations, Endeavour Energy will aim to improve overall customer satisfaction in the delivery of timely and accessible solutions associated with new technologies and service needs. We will ensure business systems are effective in meeting both current and future customer needs.

Innovative technologies can play a significant role in meeting the customer experience challenge. This can include improvements to the management of customer interactions, digital accessibility through self-service platforms and enabling customer energy decisions through access to higher quality and more real-time information supported by fit-for-purpose systems. Through investment in these areas, we can improve service delivery and overall customer satisfaction, and both customer and business decision-making processes. This is to accommodate the long-term interest of customers regarding price and quality of supply of electricity.

There are several technology developments and enhancements which need to be addressed by Endeavour Energy within the next regulatory period to achieve these outcomes.

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- **Safe and private customer data.** With customers seeking enhanced and personalised services, the management and security of customer and shared data continues to grow in importance. Endeavour Energy will manage our risks in compliance with legislative and regulatory requirements related to data privacy and security, while continuing to focus on market and customer evolutions and investments required to ensure the integrity of customer information is maintained over time¹. Technology continues to rapidly advance, creating more ways for customer interests to be served through data sharing, including with customers, other market participants and third parties. The NEO specifies an objective related to the security of the supply of electricity and the proposed investments in this area will address this obligation.

Data **security** is the key challenge to be addressed in this rapidly changing environment, and we seek to address this through improvement of customer data protection, including improvement in our ability to respond to threats, and increased efficiency of service management through enhancement of back-end, asset management and work-order processes. We also continue to monitor changes in legislation related to cyber security risks and data privacy to meet our regulatory obligations.

These investments allow us to improve internal data governance ensuring that we follow relevant legislations and minimise data breaches and customer and impacts. We will also meet customer expectations related to the safety of their data when data is shared with customers or third parties through service provision.

- **Reliable supply of electricity.** Customer insights from our Focus Group Outcomes report in December 2021 dealing with explanatory qualitative research and engagement with residential and small business customers indicated a reliable supply of electricity matters to customers as they want to be confident that they can turn on their lights, use their heating and cooling, stay connected with family and friends, and have the choice to work and learn from home.²

One of the objectives in the NEO focuses on the security and reliability of the electricity supply and this continues to be key to our strategic priorities. The future direction of the energy sector will continue to create challenges for maintaining reliability and we will need to invest in new initiatives that allow us to closely monitor our network. This includes insights that allow us to accelerate the reliable delivery of new connections and initiatives, supported by improvements in accessibility to information and sharing capabilities through enhanced quality systems and additional channels. Through addressing these challenges, we can deliver new products and services to customers, enhance customer satisfaction through the minimisation of disruptions and improve decision-making process and future planning through better information.

¹ In the investment brief “Providing a resilient network for the community against increasing external hazards” we focus on protecting Endeavour Energy against an increasing frequency and sophistication of cyber-attacks as we continue to facilitate open data sharing with third parties. Endeavour Energy, like all networks, will need to enhance our cyber defences to protect the integrity of the network and our customers’ data.

² In this investment brief we focus on the drivers, benefits and investments required to deliver these outcomes and improve customer monitoring in the context of the grid of the future. In the investment brief “Providing a resilient network for the community against increasing external hazards” we focus on the new threats and opportunities to network reliability emerging from climate events, cyber security events and emerging technologies.

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- **Affordable electricity supply.** Our customers expect Endeavour Energy to recognise and respond to the pricing and affordability impacts of our investment plans and service delivery. This was reinforced through the insights from Endeavor Energy’s Stakeholder & Community Reputation Benchmark Study, where our stakeholders and communities confirmed the importance of affordability impacts to our business considerations. This driver therefore focuses on deriving operational process and decision efficiencies with respect to asset management, work order management and back-end delivery. Price and quality objectives of the electricity supply will be addressed by these investments. It is important that we can address these objectives by looking at the most efficient solution to ensure long-term interests of customers.

We understand that affordability will need to be balanced against different factors to achieve the best outcome for customers. As we continue to invest in the future network, community growth and resilience, the challenge is to find **new cost-effective ways to deliver these initiatives**. We are looking to improve the efficiency of our internal processes and systems and seeking to improve partnerships with external stakeholders. Operational efficiencies involve the utilisation of our current initiatives to enhance our capabilities in ensuring consistently great customer service and competitiveness of our business. By partnering with external stakeholders, we strive to use their expertise to help us deliver the best outcome for customers while minimising costs.

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2.2 Way forward and benefits

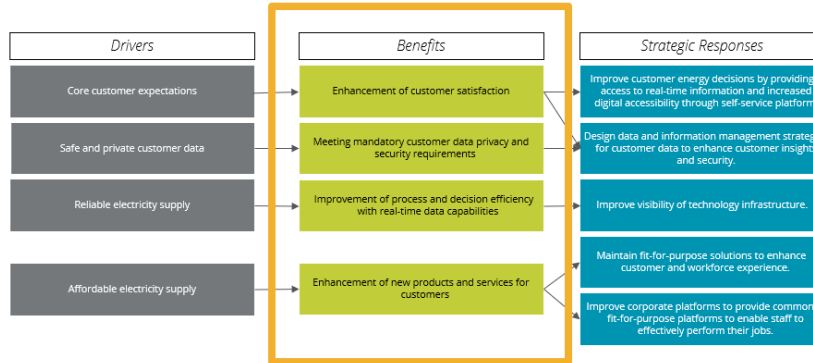


Figure 4: Investment Logic Map identifying four benefits that can be realised.

Endeavour Energy is focused on identifying solutions aligned to the priorities and expectations of our customers and reflect their long-term interests through our plans to invest in, operate and provide, electricity services. Through active engagement with our customers and stakeholders, we are developing options to address the drivers and challenges identified and seeking to ensure that the quantitative and qualitative benefits of investment are maximised.

We have identified the following benefit categories for this investment brief. Please refer to sections 4.4 and 5.5 for an analysis of the quantifiable and qualitative benefits associated with the investment:

- **Enhancement of customer satisfaction.** An evolving market and market framework, and shifts in customer needs and expectations, will require us to deliver and respond to a range of new technologies, products and services. By forward-planning and ensuring our network and systems are compatible with these technologies, products and services, we can seek to promote efficient investment in, and efficient operation of, electricity services for the long-term interests of our customers.

Effectively and efficiently addressing feedback from customers and stakeholders allows us to gain additional service insights and build stronger, enduring relationships. By investing in innovative solutions based on new technologies, we can improve our customer experience. Endeavour Energy is introducing a Customer Service Incentive Scheme to improve its customer experience and has established the following KPIs: Net Promotor Score, Customer Effort and Customer Satisfaction. Please refer to the Endeavour Energy Future Grid Strategy.

By addressing *core customers' expectations*, including through the provision of improved methods of delivering our services such as self-service platforms and access data, we can improve our customers' experience.

The table below provides information on the benefits and their measures.

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Endeavour Energy Benefits:

- Accelerate reliable delivery of new connections using grid of the future systems
- Improve customer satisfaction through digital access to services including self-service platform and real-time information portal
- Improve efficiency of technology delivery through convergence of IT and OT

Benefit Measures:

- Customer time savings benefit
- Agent time savings benefit

- **Meeting mandatory customer data privacy and security requirements.** As the amount of data collected by Endeavour Energy continues to grow, it is increasingly important for us to demonstrate that we can protect this data. Endeavour Energy has a range of legislative and regulatory obligations that we are required to comply with, including data privacy and security. Investments in the next regulatory period will protect customers’ data and information and minimise potential disruptions to the electricity supply caused by cyber incidents. By ensuring the protection of customer data, we can improve the quality, integrity and coverage of data required for monitoring and reporting purposes, including specific requirements related to both life support and vulnerable customers.

These benefits are realised by addressing the fundamental challenges of providing *reliable supply of electricity* and *safeguarding customer data*. By building our business capabilities to ensure we have systems in place to monitor and respond to security threats related to customers’ data and provide reliable services to life support and vulnerable customers, we can understand and minimise these risks.

The table below provides information on the benefits and their measures.

Endeavour Energy Benefits:

- Increased reliability of supply and minimisation of disruptions of electricity through improved monitoring of the grid of the future to comply with mandatory requirements
- Improved security of customer data by providing greater real-time visibility of security threats and the ability to respond to threats

Benefit Measures:

- Avoided productivity loss related to cyber security breaches
- Minimise inconvenience related to life support customers
- Avoided financial liability related to life support customer

- **Improvement of process and decision efficiency with real-time data capabilities.** Endeavour Energy continues to look for ways to improve the operational efficiency of our processes, including in service delivery and data collection and analysis. The volume of data we are required to manage continues to increase as market and customer needs and expectations with respect to services continues to evolve. It is critical we have the appropriate technology in place to cater for these changes.

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Solutions targeting these areas will improve our processes and deliver greater insights for the efficient delivery of services to our customers with respect to price, quality, safety, reliability, and security of supply.

Productivity gains attributed to the investments in this investment brief can be achieved through both automation and process improvement. Focusing on new *cost-effective* ways to improve technologies, products and services will ensure we are able to achieve additional productivity gains in addition to our internal operational efficiency gains.

The table below provides information on the benefits and their measures.

Endeavour Energy Benefits:

- Improve efficiency of service management through enhancement and/or automation of back-end, asset management and work-order processes
- Support future decision making and planning through enhancements to technology capabilities to manage the expected increase in volumes of data

Benefit Measures:

- Avoided system failure costs related to business continuity risks
- Productivity improvements

- **Enhancement of new products and services for customers.** An evolving market and market framework and shifts in customer needs and expectations, will require us to deliver and respond to a range of new technologies, products and services. By forward-planning and ensuring that our network and systems are compatible with these technologies, products and services, we can seek to promote efficient investment in, and efficient operation and use of, electricity services for the long-term interests of our customers.

Focusing on new *cost-effective* ways to improve our technologies, products and services will ensure we are able to achieve additional productivity gains in addition to our internal operational efficiency gains.

The table below provides information on the benefits and their measures.

Endeavour Energy Benefits:

- Accelerate reliable delivery of new connections using grid of the future systems

Benefit Measures:

- Productivity gains

There are several qualitative benefits related to the opportunity to leverage personalised information of customers to:

- Inform strategy and planning;
- Improve customer relationship and commercial partnership;
- Improve community productivity gains;

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- Enhance customer experience and greater engagement between the Board, executive team and customers; and
- Improve the perceived value of products and services by customers.

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2.3 Objectives and outcomes

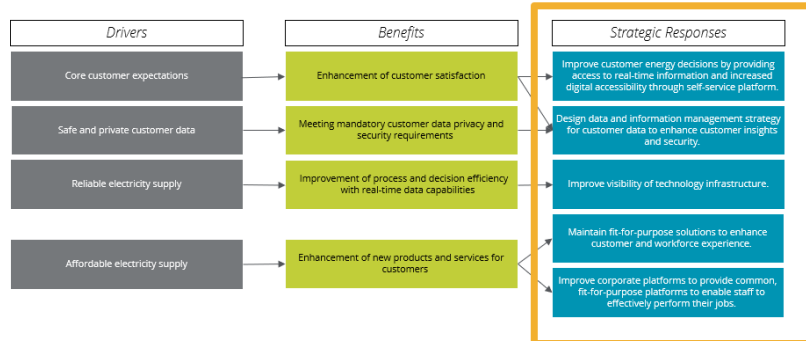


Figure 5: Investment Logic Map identifying five strategic responses to deliver against the investment drivers and realise benefits identified.

The following strategic responses are proposed to meet our investment drivers, address the development challenges, and realise the benefits identified.

Strategic Response 1. Improve customer energy decisions by providing access to real-time information and increased digital accessibility through a self-service platform.

This strategic response will enhance customer interactions via secure omnichannel engagement to provide efficient and reliable services and meet core customer expectations. This program addresses the *core customer expectations* driver.

Key objectives and outcomes in this strategic response include:

- Improve customer experience through real-time data access. Provide real-time information updates and capability to broadcast information to our customers and communities (including crisis information, sustainability initiatives and safety issues). Endeavour Energy is able better manage the efficiency and reliability of information and associated obligations and customers are kept up to date on issues of quality, safety and reliability and security of supply.
- Enable customer self-service and chat services. Improve the capability of the business to meet higher volumes of customer requests and provide an adaptable experience based on customer demographics, by making it easier and more cost effective for customers and service providers to conduct business via digital pathways.

Strategic Response 2. Maintain fit-for-purpose solutions to enhance customer and workforce experience.

This strategic response will reduce reliance on unsupported and non-functional business systems to provide increased user productivity. This program addresses the *affordable electricity supply* driver.

Key objectives and outcomes in this strategic response include:

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- Enhance network systems and energy delivery services. Uplift systems directly controlling energy delivery services to customers by implementing a customer registration and control portal and integrating to grid management network.

Strategic Response 3. Improve corporate platforms to provide common, fit-for-purpose platforms to enable staff to effectively perform their jobs.

This strategic response will standardise corporate enterprise platforms to reduce manual overhead and decrease reliance on fragmented systems to perform processes. This program addresses the *affordable electricity supply* driver.

Key objectives and outcomes in this strategic response include:

- Enhance standardised corporate platforms to create better functional integration and enhance efficiency and achieve better customer outcomes. Enhance corporate platforms for leave and time management, enterprise payment gateway and cash and liquidity risk management.

Strategic Response 4. Improve visibility of technology infrastructure.

This strategic response will improve efficiency and effectiveness of infrastructure to maintain service continuity and safe supply of network services. This program addresses the *reliable supply of electricity* driver.

Key objectives and outcomes in this strategic response include:

- Uplift solutions for disaster recovery, failover, backup and recovery. Enhancement and management of systems and processes to ensure recovery from disruptions and enable resumption of normal business operation.
- Enhance application deployment in a hybrid environment. Refresh and uplift in hybrid platform capabilities to enable zero-touch app deployment across cloud and on-premises via network segmentation.
- Enable real-time data capabilities across the network. Enhancement of technology infrastructure and integration with core platforms to support real-time flow of information across the network.

Strategic Response 5. Design data and information management strategy for customer data to enhance customer insights and security.

This strategic response will uplift security access to customer data and records and related insights. This program addresses the *core customer expectations* and *safe and private customer data* drivers.

Key objectives and outcomes in this strategic response include:

- Provide better data security and insights for customers. Analyse customer data needs and design a strategy and model to uplift capability to deliver required security and insights.

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3 Investment Options

3.1 Options Description

Three options were considered to address the drivers and challenges outlined earlier and deliver the benefits described above. Please refer to section 5.1 for the underlying initiatives within each option.

3.1.1 Option 1: Maintain Regulatory Requirements for Customer Data Privacy

The focus of Option 1 is to maintain regulatory requirements associated with customer data privacy and the services required for vulnerable customers.

This option addresses two drivers:

- **Safe and private customer data.** With customers expecting personalised services, security risks become an even more important part of how Endeavour Energy should manage customer and shared data. Endeavour Energy continues to monitor our risks and manage these according to the relevant legislations related to data privacy and security. In this investment brief we focus on the drivers, benefits and investments required to protect the integrity of customer information.³
- **Reliable supply of electricity (vulnerable customers only).** Customers want to be confident they can turn on their lights, use their heating and cooling, stay connected with family and friends, and have the choice to work and learn from home. In this investment brief we focus on the drivers, benefits and investments required to improve customer monitoring of the grid of the future, particularly for vulnerable customers.⁴

This option has a lack of initiatives supporting the provision of affordable electricity supply, which is a major concern to customers and improves Endeavour Energy’s risk profile. Additionally, it does not support the themes underpinning the *core customer expectations* driver of improving customer expectations through innovation in technologies and other IT processes which are essential to delivering this investment brief.

3.1.2 Option 2: Maintaining compliance and providing safe, affordable and reliable supply of electricity

The focus of Option 2 is to provide *safe, affordable and reliable supply of electricity to all customers*.

Option 2 builds upon the drivers that are the focus of Option 1. Option 2 undertakes all initiatives under Driver 3 – Reliable supply of electricity to ensure reliable supply of all customers, in comparison to Option 1 which meets requirements for vulnerable customers only.

³ In the investment brief “Providing a resilient network for the community against increasing external hazards” we focus on protecting Endeavour Energy against an increasing frequency and sophistication of cyber-attacks as we continue to facilitate open data sharing with third parties. Endeavour Energy, like all networks, will need to enhance our cyber defences to protect the integrity of the network and our customers’ data.

⁴ In the investment brief “Providing a resilient network for the community against increasing external hazards” we focus on the new threats and opportunities to network reliability emerging from climate events, cyber security events and emerging technologies.

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In addition to the drivers addressed under Option 1, Option 2 addresses one additional driver:

- **Affordable electricity supply.** Customer expectations on Endeavour Energy are to manage the network efficiently to deliver electricity services in the most affordable way. This driver focuses on deriving operational process and decision efficiencies on asset management, work order and back end. It is important that we follow our regulatory obligations in ensuring that we are delivering more at the lowest cost to the customers to the extent possible.

This option does not strongly support the themes underpinning the *core customer expectations* driver of improving customer expectations through innovation in technologies and other IT processes and therefore could not sufficiently meet Endeavour Energy’s customer priorities for the next regulatory period.

3.1.3 Option 3: Maintaining compliance, providing a safe, affordable and reliable supply and meeting core customer expectations

The focus of Option 3 is to *meet core customer expectations for a safe, affordable and reliable electricity supply*. Option 3 builds upon the drivers that are the focus of Option 2.

Option 3 addresses one additional driver:

- **Core customer expectations.** Increasingly customers expect differing personalised and timely services, seamless transactions, and accurate information. Their focus on their needs and experiences, from high energy users to pensioners to empowered prosumers, means that customers play a much more central role in the operation of the network as networks evolve to be platforms of energy services. To meet these needs, Endeavour Energy is looking to improve overall customer satisfaction in delivering timely and accessible solutions associated with new technologies, customer expectations and service needs. We will need to ensure that business systems are compatible for the current and future needs of the customers in response to these digital solutions.

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3.2 Criteria Description

The three options were analysed across the following criteria to arrive at a balanced score for each option. These criteria were informed by the Endeavour Energy business case framework and tailored to the considerations and context of this specific investment brief:

- **Strategic alignment with drivers.** The strategic alignment perspective assesses the extent to which the initiatives address the challenges in meeting the four **key drivers** in the investment brief “Customer Expectations, Safe Electricity Supply, Reliable Electricity Supply and Affordable Electricity Supply”.
- **Alignment with customer priorities.** The alignment with customer priorities perspective assesses the alignment with customer priority insights elicited from exploratory focus groups of mixed customer segments to gain insight into what’s important to them⁵: Providing a reliable supply; Responding to emergencies; Prudent and efficient management of the network; Researching, trialling and installing new technologies; and Keeping customers informed.
- **Risk mitigation associated with investment.** The risks perspective assesses the **qualitative** likelihood of mitigating Endeavour Energy corporate risks (corresponding low to high) associated with investment in each of the initiatives within the options.
- **Benefits associated with investment.** The benefits perspective assesses the **quantitative and qualitative** benefits to Endeavour Energy and the Customer community of the proposed option and how these will be realised.
- **Costs associated with investment.** The cost perspective assesses the **quantitative** project one-off and recurrent cost impacts of the proposed option. For this criterion the scores have been allocated as follows: a score of 3 for lowest cost option, 2 for middle cost option, and 1 for the highest cost option.

For each criterion, a score between 0 and 4 was awarded where 0 denotes very low alignment, 2 denotes some alignment, and 4 denotes very high alignment.

With the level of industry change expected to occur in the next regulatory period the weighting of the criteria reflects a priority for investment options that align with drivers for change and the customer priorities (30% across both criterion), mitigate Endeavour Energy’s corporate risks (25%), and provide a contribution to benefits and cost profile (45% across both criterion). **Table 1** provides a summary of these weightings across the three options to demonstrate the recommended option for investment.

⁵ Endeavour Energy, “Business Narrative Regulatory Reset 2024 – 2029”, March 2022.

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3.3 Summary of Options Analysis

Table 1 summarises the analysis of the three options and the weighted score. Detailed analysis of each option against the criteria is in the Appendix.

	Weighting	Option 1 – Maintain Regulatory Requirements Customer Data Privacy	Score	Option 2 – Provide safe, affordable and reliable supply of electricity	Score	Option 3 – Meet core customer expectations	Score
Strategic Alignment with Drivers	10%	While maintaining reliable supply for vulnerable customers and adhering to customer data privacy legislation, this option presents poor alignment with meeting all customer expectations.	1	Addresses customer expectations for data privacy and provision of access to information that informs customers of electricity supply.	3	Provides improved customer experiences through personalised and timely services and accurate information.	4
Alignment with customer priorities	20%	Provides medium alignment across providing reliable supply, responding to emergencies and prudent and efficient management of the network.	1	Has additional investments in prudent and efficient management of the network and keeping customers informed.	2	Provides most alignment with customer priorities across all customer priorities.	4
Risk mitigation associated with investment	25%	Ensures a level of compliance with relevant corporate governance principles for maintaining customer data privacy	1	Ensures a level of compliance with customer data privacy and invests in technology to help mitigate risks related to finance and customer.	2	Invests in customer experience that helps curtail customer risks and maintain a customer-centred culture to act to customers promptly and fairly and has additional investments in ensuring network reliability and capacity, and mitigating finance and compliance risks.	3
Benefits associated with Investment <i>Note: the qualitative benefits are cumulative and quantitative benefits are based on a 10-year period</i>	30%	Quantitative Benefits: <ul style="list-style-type: none"> New Capability Benefits: \$0.73M Recurrent Capability Benefits: \$1.60M Qualitative Benefits: <ul style="list-style-type: none"> Leverage personalised information of customers to inform strategy and planning Improved perceived value of products and services to customers. 	1	Quantitative Benefits: <ul style="list-style-type: none"> New Capability Benefits: \$1.06M Recurrent Capability Benefits: \$1.66M Qualitative Benefits: <ul style="list-style-type: none"> Improved commercial partnership Increased community productivity Improved engagement between the Board, executive team and customers. 	3	Quantitative Benefits: <ul style="list-style-type: none"> New Capability Benefits \$12.54M Recurrent Capability Benefits: \$10.69M Qualitative Benefits: <ul style="list-style-type: none"> Improved customer relationship and experience. 	4
Costs associated with investment <i>Note: this excludes non-project costs</i>	15%	<ul style="list-style-type: none"> New Capability Capital Expenditure: \$0.29M Recurrent Capability Capital Expenditure: \$1.94M Operating Expenditure: \$0.51M 	3	<ul style="list-style-type: none"> New Capability Capital Expenditure: \$0.29M Recurrent Capability Capital Expenditure: \$2.21M Operating Expenditure: \$2.47M 	2	<ul style="list-style-type: none"> New Capability Capital Expenditure: \$5.30M Recurrent Capability Capital Expenditure: \$4.96M Operating Expenditure: \$5.39M 	1
WEIGHTED SCORE			1.30		2.40		3.30

Table 1: Summary of Options Analysis

Scored from 0 – 4. 0 = Very low alignment. 2 = Some. 4 = Very high alignment to Endeavour Energy desired outcomes.

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3.4 Recommended Option

Option 3 “Meet core customer expectations” is the most prudent and efficient option.

Option 1 “Maintain regulatory requirements for customer data privacy” does not meet the strategic investment drivers underpinning this investment brief of delivery an affordable supply and has low alignment with meeting core customer expectations, which are both integral to achieving the best outcomes for customers in the upcoming regulatory period and improving the efficiencies of Endeavour Energy. With a moderate mitigation of Endeavour Energy’s corporate risks and low-cost outlay, this option cannot be pursued to support Endeavour Energy’s growth.

Option 2 “Provide safe, affordable and reliable supply of electricity” delivers better strategic alignment and improves the risk profile through investment in initiatives which support the financial and compliance obligations of Endeavour Energy. It also supports the three themes of safety, reliability and affordability which are important to delivering desired outcomes to customers. However, there is a lack of investment in meeting core customer expectations and improving customer experience, which are both essential to ensuring customer satisfaction with Endeavour Energy.

Option 3 “Meet core customer expectations” provides the best alignment to the strategic drivers within the investment brief and addresses the customer priorities and expectations for the forthcoming period. Option 3 further improves the risk profile through investment in initiatives which support the network, customer, finance and compliance obligations of Endeavour Energy. The very high strategic alignment and delivery of benefits supports our strategic goals of Customer & Communities and Performance, and therefore, offsets the higher cost of delivering this Option. Therefore, it would be considered the most customer-centric and viable investment option.

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4 Implementation of the Recommended Option

To realise the significant benefits planned, the “Meeting core customer expectation for a safe, affordable and reliable electricity supply” investment brief will require an appropriate approach to increase the likelihood that the investment is delivered successfully on time and budget.

4.1 Delivery Roadmap

The implementation of the recommended option will be delivered through five programs of work, each program focused on the delivery of one strategic response, whose vision, objectives and outcomes are described in **Section 2.3**. The programs and the vision for each are described below:

1. **Improve Customer Energy Decisions.** Improve customer energy decisions by providing access to real-time information and increased digital accessibility through a self-service platform. This strategic response will enhance customer interactions via secure omnichannel engagement to provide efficient and reliable services and meet core customer expectations. This program addresses the *core customer expectations* driver.
2. **Enhance Customer and Workforce Experience.** Maintain fit-for-purpose solutions to enhance customer and workforce experience. This strategic response will reduce reliance on unsupported and non-functional business systems to provide increased user productivity. This program addresses the *affordable electricity supply* driver.
3. **Improve Corporate Platforms.** Improve corporate platforms to provide common, fit-for-purpose platforms to enable staff to effectively perform their jobs. This strategic response will build on the investments to 2024 to further standardise corporate enterprise platforms to reduce manual overhead and decrease reliance on fragmented systems to perform processes. This program addresses the *affordable electricity supply* driver.
4. **Improve Technology Infrastructure.** Improve visibility of technology infrastructure. This strategic response will improve efficiency and effectiveness of infrastructure to maintain service continuity and safe supply of network services. This program addresses the *reliable supply of electricity* driver.
5. **Design Data and Information Management.** Design data and information management strategy for customer data to enhance customer insights and security. This strategic response will uplift access to and enhance security access to customer data and records. This program addresses the *core customer expectations* and *safe and private customer data* drivers.

To support the delivery of the programs of work, it is proposed that projects be split into two phases:

- **Plan.** The intent of the Plan phase is to establish the Project Management team, define the solution architecture, define the sourcing strategy and procure any solution components, and setup the development environment and practices for the following tranches.
- **Design, build, test and deploy.** The intent of this phase is to implement the solution for the project and decommission any legacy applications as appropriate.

The investment brief has two distinct phases:

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- **Enable (FY25-27).** Setting up Endeavour Energy to simplify capabilities and build on current foundations that will unlock value in the years to come. The key objectives to be achieved for this phase include:
 - Enhance network systems and energy delivery services;
 - Standardise corporate platforms;
 - Uplift solutions for disaster recovery, failover, backup and recovery;
 - Enhance application deployment in a hybrid environment; and
 - Provide better data security and insights for customers.
- **Transform (FY28-29).** Implementing strategic technology capabilities that will change the way things have been done previously to save time and equip Endeavour Energy with the best decision-making tools. The key objectives to be achieved for this phase include:
 - Improve customer experience through real-time data access;
 - Enable customer self-service and chat services; and
 - Enable real-time data capabilities across the network.

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A high-level roadmap for the investment brief is depicted below, showing the projects being delivered by each program and the delivery of benefits / outcomes throughout the regulatory period.

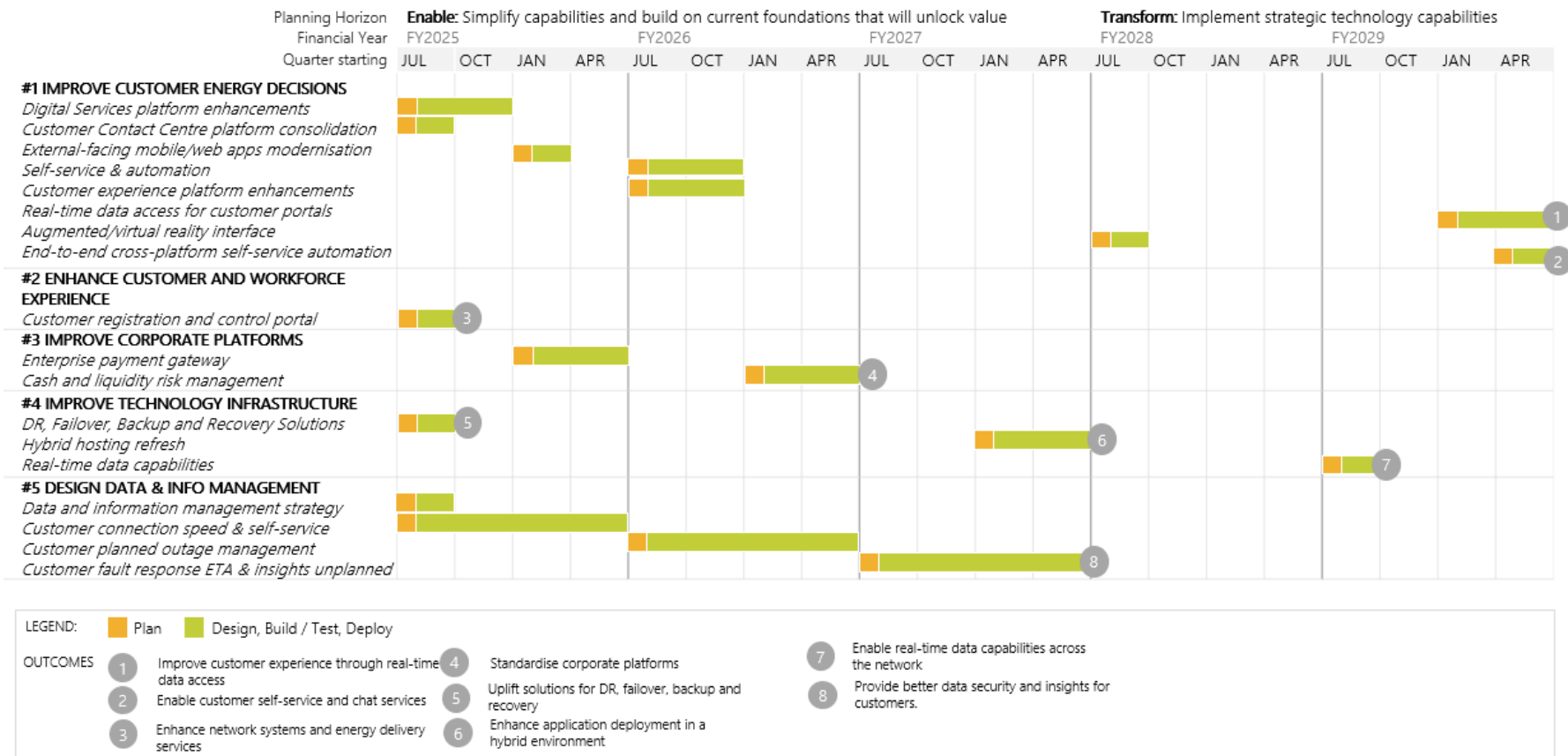


Figure 6: High level roadmap of the investment brief “Meeting core customer expectation for a safe, affordable and reliable electricity supply”.

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4.2 Governance Arrangements

The programs will comply with Endeavour’s framework for program planning and delivery illustrated below.



Figure 7: Endeavour's Program Planning and Delivery Framework

Key governance arrangements from Endeavour’s delivery framework that are considered for this investment brief include Program Planning (Quarterly Review and Program Governance), Project Delivery (all governance arrangements), Project Completion and Business Benefit Realisation (project activities, approvals and acceptances). For further details, please refer to ICT Asset Strategy 2024-2029.

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4.3 Program Resource Sourcing Strategy

The sourcing strategy for the investment brief is designed to complement and support the acquisition of the capabilities required to deliver the scope of the programs of work. Given that this investment brief will involve the sourcing of multiple solutions throughout the regulatory period, it is proposed that a detailed procurement strategy be developed during the Program Planning phase for the rolling five-year ICT Capital Program.

The table below summarises the program capabilities that need to be sourced, and the sourcing options and the approach taken in the estimation of the costs. Endeavour Energy is proposing to go out to market for five of the six program capabilities to acquire the breadth of business and technology related capabilities required to deliver the investment brief.

Program Capability	Sourcing option
Strategic Program, Project, Deployment and Organisational Change Management Advice, expertise and capability across program, project, organisational change management and deployment	Augmentation: Endeavour Energy uses internal resources to deliver capability, but augments by contracting industry-leading specialists to leverage best practice, or to fill temporary gaps. In this investment case we have assumed that these resources use contractor rates, based in Sydney.
Assurance Advice and quality assurance over aspects of program delivery.	Augmentation: Endeavour Energy uses internal resources to deliver capability, but augments by contracting industry-leading specialists to leverage best practice, or to fill temporary gaps. In this investment case we have assumed that these resources use contractor rates, based in Sydney.
Solution Architecture Solution architecture across programs of work under the investment brief.	In-house: Endeavour Energy uses internal resources to deliver. In this investment case we have assumed that these resources use contractor rates, based in Sydney.
Data Management Provides industry-leading expertise to data.	Augmentation: Endeavour Energy augments by contracting industry-leading specialists to leverage best practice. In this investment case we have assumed that these resources use contractor rates, based in Sydney.

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Program Capability	Sourcing option
Application Development Vendor sources / provides the requisite hardware, software, application development for Software as a Service projects and industry-leading specialists provides application development capability for projects not involving Software as a Service.	Augmentation: Endeavour Energy augments by outsourcing to industry-leading specialists to leverage best practice In this investment case we have assumed that these resources use contractor rates, based in Sydney. An alternative sourcing option considered for Application Development includes: Prime Integrator: Endeavour Energy engages a range of specialist industry-leading vendors to orchestrate delivery as a prime integrator for any projects.
Systems and Network and testing Provides industry-leading expertise for systems and network and testing capabilities.	Augmentation: Endeavour Energy augments by outsourcing to industry-leading specialists to leverage best practice. In this investment case we have assumed that these resources use contractor rates, based in Sydney.

Table 2: Sourcing Options for Program Capabilities

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4.4 Investment Benefits

The recommended option delivers to all benefits described in the Section 2.2. These benefits have been categorised as Recurrent and Non-Recurrent – New Capability benefits associated with the categorisation of the projects which deliver the benefits.

The quantitative benefits reaped from this investment include a reduction in the number of Type 1 NECF Breaches (Life Support) and productivity gains generated from the projects sought under the investment programs.

The Type 1 NECF Breaches relate to a reduction of breaches associated with not adequately informing life support customers of planned and unplanned interruptions to electricity supply, which is expected to be delivered through investments in more secure and more transparent infrastructure. This benefit is calculated by estimating the savings of avoiding a breach by forecasting the number of life support customers in the following regulatory period and who could be implicated by a breach, as well as the likelihood of a breach occurring.

The productivity gains attributed to this investment brief is sought from increased automation and operational efficiencies, as well as user productivity from reduction in reliance on unsupported and non-functional business systems. This is calculated through identifying the efficiencies expected from investments and quantifying it against the overall productivity gains expected to be achieved in the following regulatory period.

A summary of the quantitative benefits is provided in the table below.

	FY2025	FY2026	FY2027	FY2028	FY2029	Total 5 years	Total 10 years
Economic Benefits							
Non-Recurrent – New Capability	\$0.0M	\$0.6M	\$0.7M	\$0.9M	\$1.2M	\$3.4M	\$12.5M
Recurrent	\$0.0M	\$0.4M	\$0.7M	\$0.9M	\$1.0M	\$3.0M	\$10.7M
Total Estimated Benefits	\$0.0M	\$1.0M	\$1.4M	\$1.8M	\$2.2M	\$6.4M	\$23.2M

Table 3: Quantitative Benefits

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4.5 Investment Costs

The categories of investment are shown in the tables below. Non-system ICT capex is categorised as Recurrent and Non-Recurrent expenditure. Further sub-categorisation of non-recurrent ICT investments are apportioned between:

- Maintaining existing services, functionalities, capability and/or market benefits
- Complying with new / altered regulatory obligations / requirements
- New or expanded ICT capability, functions and services

Endeavour Energy’s ICT costs have been assigned across these categories and estimated using a combination of existing costing models and input from subject matter experts. Further detail on how these costs have been developed and the assumptions that underpin them is provided in **Appendix 6**.

4.5.1 Investment Costs – definitions and key assumptions

The costs for ICT investments have been estimated based on the following definitions and assumptions:

- **Program Costs.** Costs related to the resources required to manage the Program including the running of the program, the management of strategic response projects, assurance and policy and legislative analysis. Considering the Program Capability sourcing approach, the costs have been calculated using a time and material allocation to individual program delivery schedules.
- **Other Program Costs.** Costs related to any travel and hotel accommodation requirements for project team members, the consumption of technology resources, and the office accommodation requirements. The costs have been calculated as a percentage of overall program costs.
- **Develop and Deploy.** Costs related to the resources required to support the planning, design, build, test and deployment of solution components under new capability projects. Considering the Program Capability sourcing approach, the costs have been calculated using a time and material allocation to individual project resource requirements and project delivery schedules.
- **Infrastructure Acquisition.** Costs related to the provision of solution components including compute power, digital storage, network devices, bandwidth equipment and rentals, software licences and security equipment. The costs have been calculated using a standard price per size of project.
- **Infrastructure Upgrades.** Where applicable, the costs associated with maintaining existing ICT services, functionalities, capability and/or market benefits, and occurs at least once every five years.
- **Contingency.** Costs related to the increases due to risks that are known, as well as unknown. The costs have been calculated as 19% of overall non-recurrent – new capability total expenditure costs
- **Infrastructure Maintenance.** Where applicable, a recurrent percentage of 5.78% of project costs has been applied to cover licence, break fix, and support calls for technology devices, digital storage, network devices, bandwidth equipment and rental, software licences and security equipment.
- **Service Management.** Costs related to an uplift in costs required to cover additional operational support, likely from additional capacity from ICT service providers.

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4.5.2 Non-Recurrent – New capabilities expenditure

Non-Recurrent – New Capability costs are estimated to be the following:

	FY2025	FY2026	FY2027	FY2028	FY2029	Total 5 years
Non-Recurrent – New Capability						
Program Costs	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.1M
Other Program Costs	\$0.1M	\$0.1M	\$0.0M	\$0.0M	\$0.1M	\$0.2M
Develop and Deploy	\$2.3M	\$1.1M	\$0.4M	\$0.3M	\$1.1M	\$5.3M
Infrastructure Acquisition	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
Contingency	\$0.7M	\$0.5M	\$0.1M	\$0.1M	\$0.5M	\$1.8M
Total Non-Recurrent	\$3.1M	\$1.7M	\$0.5M	\$0.4M	\$1.7M	\$7.4M

Table 4: Non-Recurrent– New Capability project investment costs funded through capital expenditure

	FY2025	FY2026	FY2027	FY2028	FY2029	Total 5 years
Non-Recurrent – New Capability						
Program Costs	\$0.1M	\$0.0M	\$0.0M	\$0.1M	\$0.0M	\$0.2M
Other Program Costs	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
Develop and Deploy	\$1.0M	\$1.2M	\$0.0M	\$0.1M	\$0.3M	\$2.5M
Infrastructure Acquisition	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$1.3M	\$1.3M
Contingency	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
Total Non-Recurrent	\$1.0M	\$1.2M	\$0.0M	\$0.2M	\$1.6M	\$4.0M

Table 5: Non-Recurrent– New Capability project investment costs funded through operating expenditure

A requirement for the Non-Recurrent new capability expenditure is that it has a positive NPV. The table shows the quantifiable benefits and costs for this investment brief. Please refer to section 4.4 for a description of the quantifiable and qualitative benefits.

\$FY24M	New Benefit	New Cost	NPV
#1 Customer Expectations	\$12.5M	\$7.4M	\$4.6M

Table 6 NPV Calculations

4.5.3 Non-Recurrent – Maintaining existing capabilities expenditure

No projects under this investment brief are categorised as maintaining existing capabilities in the following regulatory period.

4.5.4 Non-Recurrent – Complying with regulatory obligations expenditure

No projects under this investment brief are categorised as undertaken to comply with regulatory obligations in the following regulatory period.

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4.5.5 Recurrent expenditure

The uplift in capability to support the investment case will also result in an increase in recurrent costs related to maintenance and support for new technology. Recurring costs are estimated to be the following:

	FY2025	FY2026	FY2027	FY2028	FY2029	Total 5 years
Recurrent Costs						
Program Costs	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.1M
Other Program Costs	\$0.1M	\$0.1M	\$0.0M	\$0.0M	\$0.1M	\$0.2M
Infrastructure Acquisition	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.9M	\$0.9M
Infrastructure Upgrades	\$1.6M	\$1.4M	\$0.6M	\$0.0M	\$0.3M	\$4.0M
Contingency	\$0.4M	\$0.3M	\$0.2M	\$0.0M	\$0.3M	\$1.2M
Total Recurrent Costs	\$2.1M	\$1.8M	\$0.8M	\$0.0M	\$1.6M	\$6.4M

Table 7: Recurrent project investment costs funded through capital expenditure

	FY2025	FY2026	FY2027	FY2028	FY2029	Total 5 years
Recurrent Costs						
Program Costs	\$0.0M	\$0.1M	\$0.1M	\$0.0M	\$0.0M	\$0.2M
Other Program Costs	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
Infrastructure Acquisition	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
Infrastructure Upgrades	\$0.6M	\$0.2M	\$0.1M	\$0.0M	\$0.0M	\$0.9M
Contingency	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
Total Recurrent Costs	\$0.6M	\$0.3M	\$0.1M	\$0.0M	\$0.1M	\$1.1M

Table 8: Recurrent projects' investment costs funded through operating expenditure

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4.5.6 Ongoing – New capabilities expenditure

The ongoing costs related to ongoing support and maintenance of ICT infrastructure for project related ICT investments. This is assumed to be completely funded by operating expenditure.

A summary of these costs is provided in the tables below.

	FY2025	FY2026	FY2027	FY2028	FY2029	Total 5 years
Ongoing Costs						
Infrastructure Maintenance	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
Service Management	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
Contingency	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
Total Ongoing Costs	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M

Table 9: Ongoing - New Capability investment costs funded through capital expenditure

	FY2025	FY2026	FY2027	FY2028	FY2029	Total 5 years
Ongoing Costs						
Infrastructure Maintenance	\$0.1M	\$0.1M	\$0.1M	\$0.0M	\$0.2M	\$0.5M
Service Management	\$0.1M	\$0.0M	\$0.0M	\$0.0M	\$0.1M	\$0.3M
Contingency	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.1M	\$0.1M
Total Ongoing Costs	\$0.2M	\$0.1M	\$0.1M	\$0.0M	\$0.4M	\$0.9M

Table 10: Ongoing - New Capability investment costs funded through operating expenditure

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5 Appendix – Options Analysis

This section summarises the options and criteria against each option analysed in defining the investment proposed in this investment brief.

5.1 Initiatives within each Option

Table 11 outlines the initiatives included in each option against the strategic responses.

Strategic response	Option 1	Option 2	Option 3
Design data and information management strategy for customer data to enhance customer insights and security.	Option 1 invests in the following initiatives: <ul style="list-style-type: none"> Data and information management model/strategy - customer data 	No additional initiatives in this strategic response beyond those included in Option 1.	In addition to initiatives in Option 2, there are the following additional initiatives: <ul style="list-style-type: none"> Customer Connection Speed & Self Service Customer Planned Outage Management Cust Fault Response ETA & Insights Unplanned
Improve corporate platforms to provide common, fit-for-purpose platforms to enable staff to effectively perform their jobs.	No initiatives in this strategic option for Option 1.	There are the following additional initiatives: <ul style="list-style-type: none"> Enterprise payment gateway Cash and liquidity risk management 	No additional initiatives in this strategic response beyond those included in Option 2.
Improve customer energy decisions by providing access to real-time information and increased digital accessibility through a self-service platform.	No initiatives in this strategic option for Option 1.	No initiatives in this strategic option for Option 2.	In addition to initiatives in Option 2, there are the following additional initiatives:

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Strategic response	Option 1	Option 2	Option 3
			Self-service & Automation <ul style="list-style-type: none"> • Augmented/Virtual Reality Interface • External-facing mobile apps, webapps modernisation • Digital Services Platform Enhancements • End to end cross-platform self-service automation • Customer Experience Platform Enhancements • Contact Centre Platform Consolidation • Real-time data access for customer portals
Improve visibility of technology infrastructure.	Option 1 invests in the following initiatives: <ul style="list-style-type: none"> • Real-time data capabilities • DR, failover, backup and recovery solutions • Hybrid hosting refresh 	No additional initiatives in this strategic response beyond those included in Option 1.	No additional initiatives in this strategic response beyond those included in Option 1.
Maintain fit-for-purpose solutions to enhance customer and workforce experience.	No initiatives in this strategic option for Option 1.	In addition to initiatives in Option 1, there are the following additional initiatives: <ul style="list-style-type: none"> • Customer registration and control portal 	No additional initiatives in this strategic response beyond those included in Option 2.

Table 11: Initiatives within each option

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5.2 Strategic Alignment with Drivers

Table 12 conveys the strategic alignment with the four key drivers against the three options.

Driver	Option 1	Score	Option 2	Score	Option 3	Score
Core customer expectations	Low Alignment Option 1 includes the minimum IT investment required to maintain a reliable supply for vulnerable customers, which has low alignment with this driver.		Some Alignment Option 2 includes addressing customer expectations for the provision of providing a reliable supply for all customers, which has some direct alignment with this driver.		Very High Alignment Option 3 is focused on an improved customer experience which would include involving customers in the network operation and delivering timely solutions.	
Safe and private customer data	High Alignment Option 1 includes the minimum IT investment required to maintain customer data privacy.		Very High Alignment Option 2 includes addressing all customer expectations for the maintenance of customer data privacy and delivering affordable services.		Very High Alignment Option 3 is focused on an improved customer experience which would include significant operational efficiencies and investment in protection of customer data.	
Reliable supply of electricity	High Alignment Option 1 includes the minimum IT investment required to maintain a reliable supply for vulnerable customers.		Very High Alignment Option 2 includes addressing all customer expectations for a reliable supply of electricity to all customers.		Very High Alignment Option 3 includes investment in maintaining reliability of supply to all customers.	
Affordable electricity supply	Very Low Alignment Option 1 lacks initiatives aligned with ensuring an affordable supply of electricity.		High Alignment Option 2 includes addressing customer expectations for prudent and efficient network management.		Very High Alignment Option 3 is focused on an improved customer experience and could pass on great customer savings.	
SCORE	While maintaining reliable supply for vulnerable customers and adhering to customer data privacy legislation, this option presents poor alignment with meeting all customer expectations.	1	Addresses customer expectations for data privacy and provision of access to information that informs customers of electricity supply.	3	Provides improved customer experiences through personalised and timely services and accurate information.	4

Table 12: Alignment of options against external drivers

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5.3 Alignment with Customer Priorities

Table 13 conveys the alignment to the five customer insights from the SEC Newgate Research Focus Group Outcome report in December 2021: Providing reliable supply, Responding to emergencies, Prudent and efficient management of the network, Researching, trialling and installing new technologies and Keeping customers informed.

Customer Priority	Option 1	Score	Option 2	Score	Option 3	Score
Providing a reliable supply	Medium alignment Investment in systems and processes to ensure recovery from disruptions and enable resumption of normal business operation.		Medium alignment No investments in specific initiatives aligned with providing reliable supply, beyond those in Option 1.		Very high alignment In addition to investments in Options 1 and 2, there are investments in customer planned outage management, customer fault response and insights unplanned.	
Responding to emergencies	Medium alignment Investment in systems and processes for disaster recovery, failover, backup and recovery solutions.		Medium alignment No investments in specific initiatives aligned with responding to emergencies, beyond those in Option 1.		High alignment In addition to investments in Options 1 and 2, there is investment in customer fault response and insights unplanned.	
Prudent and efficient management of the network	Medium alignment Investments in technology infrastructure and integration to support real-time information flow across the network, systems and processes for disaster recovery, failover, backup and recovery solutions, and enablement of zero-touch application deployment across cloud and on-premises via network segmentation.		High alignment In addition to investments in Option 1, there are investments in developing a payment gateway to enhance payment processing, implementing a cash and liquidity risk management platform to centrally manage cash and liquidity risk management, and implement a customer registration and control portal.		Very high alignment In addition to investments in Option 2, there is additional investment in customer planned outage management.	
Researching, trialling and installing new technologies	Very low alignment This option does not invest in specific initiatives aligned with researching, trialling and installing new technologies.		Very low alignment This option does not invest in specific initiatives aligned with researching, trialling and installing new technologies.		High alignment Investments in customer self-service and automation, augmented/virtual reality interfaces and workload self-service automation.	
Keeping customers informed	Low alignment		Medium alignment		Very high alignment In addition to investments in Option 2, there are additional investments in customer omnichannel	

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	Investments in platforms and tools to support the customer data model and strategy, as well as real-time data capabilities.		In addition to investments in Option 1, there is additional investment in implementing a customer registration and control portal.		portal enhancements (including self-service, automation and real-time access) and customer fault response and insights unplanned.	
SCORE	Provides medium alignment across providing reliable supply, responding to emergencies and prudent and efficient management of the network.	1	Has additional investments in prudent and efficient management of the network and keeping customers informed.	2	Provides most alignment with customer priorities across all customer priorities.	4










Table 13: Alignment of options against customer priorities

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5.4 Risk mitigation associated with investment

Table 14 assesses the contribution of the three options to mitigation of the four corporate risks associated with this investment brief.

Risks	Option 1	Score	Option 2	Score	Option 3	Score
R1.1 Network Maintaining network reliability and capacity, health, currency and sustainability of assets to ensure timely provision of infrastructure or solutions to service customers whilst considering future energy consumption. This includes building and maintaining a set of security capabilities that meet critical infrastructure obligations and minimise the threats arising from malicious attacks and/or risks to the availability and integrity of network or systems which support critical business functions.	Low contribution to risk mitigation Investments in systems and processes to ensure recovery from disruptions and enable resumption of normal business operation.		Low contribution to risk mitigation No additional investments to specifically address network risk beyond those in Option 1.		High contribution to risk mitigation In addition to investments in Options 1 and 2, there are investments in customer connection speed and self-service, planned outage management and fault response and insights unplanned.	
R1.2 Customer Maintaining a customer-centred and performance-driven culture to act to resolve customer complaints promptly and fairly, analyse trends to drive continuous improvement.	Low contribution to risk mitigation Investment in implementing data platforms and tools to support customer data and information model and strategy.		Medium contribution to risk mitigation In addition to investments in Option 1, there is additional investment in implementing a customer registration and control portal and integrating to the grid management network.		Very high contribution to risk mitigation In addition to investments in Options 1 and 2, there are investments in enabling customer self-service and real-time data access, augmented/virtual reality interface, enhanced connection speed, planned outage management, fault response and additional omnichannel customer portal enhancements for a modern customer experience.	
R1.3 Finance Maintaining a predictable revenue stream whilst pursuing opportunities to deliver new revenue streams. This includes interest rate	Very low contribution to risk mitigation No investments within this option to specifically address finance risk.		Medium contribution to risk mitigation Investments to uplift the payment gateway, cash and liquidity risk		High contribution to risk mitigation In addition to investments in Option 2, there are additional investments in	

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Risks	Option 1	Score	Option 2	Score	Option 3	Score
risk, liquidity risk, capital expenditure funding, financial flexibility, refinancing risk, foreign exchange rate risk, counterparty credit risk, operational risk, compliance risk.			management platform and customer registration and control portal.		improving efficiencies by developing an enterprise workload automation platform and rationalise contact centre systems.	
R1.4 Compliance Ensuring a high level of compliance with relevant legislation, regulation, industry codes and standards, as well as internal policies and corporate governance principles.	Medium contribution to risk mitigation Investments in customer data management, as well as disaster recovery, failover, backup and recovery solutions.		Medium contribution to risk mitigation No additional investments to specifically address network risk beyond those in Option 2.		High contribution to risk mitigation In addition to investments in Option 2, there are additional investments in customer planned outage management and fault response and insights unplanned.	
SCORE	Ensures a level of compliance with relevant corporate governance principles for maintaining customer data privacy.	1	Ensures a level of compliance with customer data privacy and invests in technology to help mitigate risks related to finance and customer.	2	Invests in customer experience that helps curtail customer risks and maintain a customer-centred culture to act to customers promptly and fairly and has additional investments in ensuring network reliability and capacity, and mitigating finance and compliance risks.	3

Table 14: Mitigation of risks across Options

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5.5 Benefits associated with investment

Table 15 and **Table 16** highlights the quantitative and qualitative benefits associated with the investment in the three options. It should be noted that the quantitative benefits are based on a 10-year period.

Driver	Option 1	Score	Option 2	Score	Option 3	Score
Core customer expectations	<ul style="list-style-type: none"> New Capability projects: \$0.00M Recurrent projects: \$0.00M 	N/A	<ul style="list-style-type: none"> New Capability projects: \$0.00M Recurrent projects: \$0.00M 	N/A	<ul style="list-style-type: none"> New Capability projects: \$11.48M Recurrent projects: \$9.02M 	N/A
Safe and private customer data	<ul style="list-style-type: none"> New Capability projects: \$0.00M Recurrent projects: \$0.53M 	N/A	<ul style="list-style-type: none"> New Capability projects: \$0.00M Recurrent projects: \$0.53M 	N/A	<ul style="list-style-type: none"> New Capability projects: \$0.00M Recurrent projects: \$0.53M 	N/A
Reliable supply of electricity	<ul style="list-style-type: none"> New Capability projects: \$0.73M Recurrent projects: \$1.07M 	N/A	<ul style="list-style-type: none"> New Capability projects: \$0.73M Recurrent projects: \$1.07M 	N/A	<ul style="list-style-type: none"> New Capability projects: \$0.73M Recurrent projects: \$1.07M 	N/A
Affordable electricity supply	<ul style="list-style-type: none"> New Capability projects: \$0.00M Recurrent projects: \$0.00M 	N/A	<ul style="list-style-type: none"> New Capability projects: \$0.32M Recurrent projects: \$0.06M 	N/A	<ul style="list-style-type: none"> New Capability projects: \$0.32M Recurrent projects: \$0.06M 	N/A
SCORE	New Capability Benefits: \$0.73M Recurrent Capability Benefits: \$1.60M	1	New Capability Benefits: \$1.06M Recurrent Capability Benefits: \$1.66M	3	New Capability Benefits \$12.54M Recurrent Capability Benefits: \$10.69M	4

Table 15: Quantitative Benefits associated with investment in the three options

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Benefit category	Option 1	Score	Option 2	Score	Option 3	Score
Increased efficiency in IT operations and processes	<ul style="list-style-type: none"> Improved accessibility and sharing capabilities to information and services through enhanced quality systems and additional channels. Support future decision making and planning through enhancements to technology capabilities to manage the expected increase in volumes of data. Improve relationships with external stakeholders and customers through improved data visibility and sharing Upskill of technology team to leverage digital capabilities and automation of processes 	N/A	<ul style="list-style-type: none"> Enablement of hybrid cloud security No password identity required and implementation of zero trust security principles Autonomous security response, with breach and attack simulation. Automation of User Access Review And all privileged accounts fully managed. Enhancement of machine learning of data providing greater data insights and drive operational efficiencies 	N/A	<ul style="list-style-type: none"> Complete private cloud security for all resources in Azure Improved role-based access control implementation Enhanced encryption for data in transit and rest for IT and OT Autonomous security response, with breach and attack simulation. Cost avoidance in the future due to elimination of call centre because of automation 	N/A
Improved sustainability outcomes	<ul style="list-style-type: none"> Improved health, safety and environment solutions to improve incident outcomes Support more informed customer energy decisions by enabling customer platforms 	N/A	No additional investments to specifically create benefits under this benefit category	N/A	No additional investments to specifically create benefits under this benefit category	N/A
Increased compliance	<ul style="list-style-type: none"> Improved health, safety and environment solutions to improve incident outcomes Support more informed customer energy decisions by enabling customer platforms 	N/A	<ul style="list-style-type: none"> Improved compliance with state and federal infrastructure legislation Keeping abreast of potential changes in legislation which may impact cyber security Support the customer data and information model and strategy 	N/A	No additional investments to specifically create benefits under this benefit category	N/A
Improved customer satisfaction	Not applicable to this option.	N/A	<ul style="list-style-type: none"> Improved customer satisfaction with customer energy decisions by developing omni-channel platforms to allow accessibility to real-time data Improved customer satisfaction with responsiveness to critical events by improving AI driven monitoring and provision of real-time data Greater visibility surrounding crisis information, safety issues etc. 	N/A	<ul style="list-style-type: none"> Improved catering to customer demand for new services stemmed from existing and new technologies Acceleration of reliable delivery of new connections using grid of the future systems 	N/A

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Benefit category	Option 1	Score	Option 2	Score	Option 3	Score
SCORE	<ul style="list-style-type: none"> Leverage personalised information of customers to inform strategy and planning. Improved perceived value of products and services to customers. 	1	<ul style="list-style-type: none"> Improved commercial partnership Increased community productivity Improved engagement between the Board, executive team and customers. 	3	<ul style="list-style-type: none"> Improved customer relationship and experience. 	4

Table 16: Qualitative Benefits associated with investment in the three options

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5.6 Costs associated with investment

Table 17 illustrates the estimated project expenditure over the regulatory period across the three options

Driver	Option 1	Score	Option 2	Score	Option 3	Score
Core customer expectations	<ul style="list-style-type: none"> New Capability: \$0.00M Recurrent: \$0.00M Operating Expenditure: \$0.00M 	N/A	<ul style="list-style-type: none"> New Capability: \$0.00M Recurrent: \$0.00M Operating Expenditure: \$0.00M 	N/A	<ul style="list-style-type: none"> New Capability: \$5.01M Recurrent: \$2.75M Operating Expenditure: \$2.92M 	N/A
Safe and private customer data	<ul style="list-style-type: none"> New Capability: \$0.00M Recurrent: \$0.05M Operating Expenditure: \$0.18M 	N/A	<ul style="list-style-type: none"> New Capability: \$0.00M Recurrent: \$0.05M Operating Expenditure: \$0.18M 	N/A	<ul style="list-style-type: none"> New Capability: \$0.00M Recurrent: \$0.05M Operating Expenditure: \$0.18M 	N/A
Reliable supply of electricity	<ul style="list-style-type: none"> New Capability: \$0.29M Recurrent: \$1.90M Operating Expenditure: \$0.32M 	N/A	<ul style="list-style-type: none"> New Capability: \$0.29M Recurrent: \$1.90M Operating Expenditure: \$0.32M 	N/A	<ul style="list-style-type: none"> New Capability: \$0.29M Recurrent: \$1.90M Operating Expenditure: \$0.32M 	N/A
Affordable electricity supply	<ul style="list-style-type: none"> New Capability: \$0.00M Recurrent: \$0.00M Operating Expenditure: \$0.00M 	N/A	<ul style="list-style-type: none"> New Capability: \$0.00M Recurrent: \$0.27M Operating Expenditure: \$1.96M 	N/A	<ul style="list-style-type: none"> New Capability: \$0.00M Recurrent: \$0.27M Operating Expenditure: \$1.96M 	N/A
SCORE	New Capability Capital Expenditure: \$0.29M Recurrent Capability Capital Expenditure: \$1.94M Operating Expenditure: \$0.51M	3	New Capability Capital Expenditure: \$0.29M Recurrent Capability Capital Expenditure: \$2.21M Operating Expenditure: \$2.47M	2	New Capability Capital Expenditure: \$5.30M Recurrent Capability Capital Expenditure: \$4.96M Operating Expenditure: \$5.39M	1

This excludes the Contingency and Other Program Costs associated with investment.

Table 17: Costs associated with investment in the three options

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6 Appendix – Project Summaries

Table 18 provides summaries of the projects within this investment brief. Projects within an Option are cumulative, so that each option also contains the projects within the prior option.

Driver	Proj#	Project	Project Description
Option 1			
Safe and private customer data	34	Data and information management model/strategy (ongoing) - customer data	Implementation of data platform and tools to support the customer data and information model and strategy
Reliable supply of electricity	134	Real-time data capabilities	Enhancement of technology infrastructure and integration with core platforms to support real-time flow of information across the network
	137	DR, failover, backup and recovery solutions (ongoing)	Enhancement and management of systems and processes to ensure recovery from disruptions and enable resumption of normal business operation
	138	Hybrid hosting refresh	Refresh and uplift in hybrid platform capabilities to enable zero-touch app deployment across cloud and on-prem via network segmentation
Option 2			
Affordable supply of electricity	58	Enterprise payment gateway	Development of enterprise payment gateway microservice for consumption by any platform required to process payments using the enterprise integration platform (predominantly for customers and training services with partners)
	60	Cash and liquidity risk management	Implementing Visual Risk platform to centrally manage cash and liquidity risk management
	99	Customer registration and control portal (ongoing)	Implementation of customer registration and control portal and integration to grid management network

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Driver	Proj#	Project	Project Description
Option 3			
Core customer expectations	1	Self-service & Automation (ongoing)	Enable customer portal for customer self-service and chat services
	2	Augmented/Virtual Reality Interface	Design and implementation of AR and VR interfaces to customer omnichannel portal
	3	External-facing mobile apps, webapps modernisation (ongoing)	Enhancements to customer mobile and web applications to represent modern customer experience
	7	Digital Services Platform Enhancements (ongoing)	Enhancement to established DSP to include additional capabilities
	8	End to end cross-platform self-service automation	Development of enterprise workload automation platform to interface to business and IT systems to provide self-service automation capability
	9	Customer Experience Platform Enhancements (ongoing)	Enhancement of omnichannel customer portal, including retailer self-service and enhancements to integrations and interfaces
	11	Contact Centre Platform Consolidation (ongoing)	Consolidation and rationalisation of contact centre systems and capabilities to centralised contact centre platform
	12	Real-time data access for customer portals	Transformation of data to enable real-time integration with customer omnichannel portals for customers to access real-time data (e.g. crisis information, sustainability initiatives, safety issues)
	159	Customer Connection Speed & Self Service	Build interactive customer portal to automate/digitise workflows and increase connection speed

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Driver	Proj#	Project	Project Description
	160	Customer Planned Outage Management	Enhance outage management through LV connectivity to ADMS, customer information correction from retailers, automate notification messages, outage bundling and automated call handling during a planned outage
	161	Cust Fault Response ETA & Insights Unplanned	Enhance fault response through storm impact prediction, fault response prioritisation, AI-based resource modelling and ETA assessments, and outage cause feedback to customers

Table 18 Project summaries for the three considered options

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7 Appendix - Cost Assumptions

By defining the costs and benefits associated with individual investment programs under this investment brief with consideration of the real value of money, Endeavour Energy can predict the net present value of investment under this investment brief.

Table 19 demonstrates this investment profile and the individual cost and benefits categories which form part of this brief.

ID	Assumption Type	Category	Assumption	Metric
1	Both	General Assumptions	Program Start Date	1/07/2024
2	Both	General Assumptions	Model Start Financial Year	2025
3	Both	General Assumptions	10-year model duration	10
4	Both	General Assumptions	Sensitivity Analysis	+/-20%
5	Both	General Assumptions	Discount rate (pre-tax nominal WACC)	5.77%
6	Both	General Assumptions	The Resource Rate Card records the assumptions made for Program, Project and Ongoing Roles. It uses Hayes Technology Contractor Rates Guide FY22/23 and Deloitte Allocation Base for Use rates	N/A
7	Both	General Assumptions	The nominal 2.5% of wage growth on labour from FY25 onwards	2.50%
8	Both	General Assumptions	The Program Master Schedule provides the assumption on Ramp Up / Down of Resources during the lifecycle of the Program Roll-Outs	N/A

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ID	Assumption Type	Category	Assumption	Metric
9	Both	General Assumptions	Inflation rate	2.42%
10	Benefit	Benefits	Number of impacted customers from planned and unplanned outages Impacted customers from planned and unplanned outages is based on the average of the total of customers impacted by unplanned outages in FY16-FY21 and multiplied by two to estimate unplanned and planned outages.	645
11	Benefit	Benefits	Average outage resolution time Average outage resolution time is based on the average network outage resolution time (in minutes) for distribution and low voltage divided by 2. All other inputs are in hours unit, so this input is divided by 60 to convert into hours.	8.37
12	Benefit	Benefits	Average hourly rate for an employee Average hourly rate is based on the NSW average weekly earning of \$1,761.10 divided by a 37.5 hour week. Source: https://www.abs.gov.au/statistics/labour/earnings-and-working-conditions/average-weekly-earnings-australia/latest-release	\$ 83.25
13	Benefit	Benefits	Size of planned of outages Size of planned outages in GWh (using FY21 source data)	4
14	Benefit	Benefits	Size of unplanned of outages Size of unplanned outages in GWh (using FY21 source data)	2
15	Benefit	Benefits	Value of Customer Reliability Value of Customer Reliability in \$/kwh (using FY21 source data)	30.37
16	Benefit	Benefits	Number of Endeavour Energy life support customers Number of life support customers in FY22	35800

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ID	Assumption Type	Category	Assumption	Metric
17	Benefit	Benefits	Number of Endeavour Energy customers Number of customers in FY21	2,500,000
18	Benefit	Benefits	Value of outages Reduction in total inconvenience	0.08
19	Benefit	Benefits	Life support customer breach The financial penalty for a Type 1 NECF breach under the National Energy Customer Framework and Australian Consumer Law: https://www.aemc.gov.au/regulation/energy-rules/NECF-ACL/enforcement-powers	\$20,000
20	Benefit	Benefits	Average minute rate for an employee Average cost per minute is based on the NSW average weekly earning of \$1,761.10 divided by a 37.5 hour week and 60 minute hour.	\$ 1.39
21	Benefit	Benefits	Percentage of improvement in productivity Assumed improvement in productivity	0.10%
22	Benefit	Benefits	Number of impacted employees from greater investment Impacted employees from investment who will experience productivity improvement	600
23	Benefit	Benefits	Employee usage level Usage level for all employees	0.25
24	Benefit	Benefits	Value of agent time Value of agent time is based on a wage rate of \$55,000 per annum based on FY20/21 Hays Salary Report for Inbound Service in NSW - Sydney converted into a \$/hour unit	\$83.25
25	Benefit	Benefits	Benefit 6 - Agent time savings benefit Benefit likelihood	50%

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ID	Assumption Type	Category	Assumption	Metric
26	Benefit	Benefits	Benefit 7 - Customer time savings benefit Benefit likelihood	50%
27	Cost	Program Costs	Program 1: Improve customer energy decisions by providing access to real-time information and increased digital accessibility through self-service platform <ul style="list-style-type: none"> Project 1: Self-service & automation (ongoing) Project 2: Augmented/Virtual Reality interface Project 3: External-facing mobile apps, webapps modernisation Project 7: Digital Services Platform Enhancements (ongoing) Project 8: End to end cross-platform self-service automation Project 9: Customer Experience Platform Enhancements (ongoing) Project 11: Contact Centre Platform Consolidation (ongoing) Project 12: Real-time data access for customer portals 	N/A
28	Cost	Program Costs	Program 2: Enhance data platform and tools to support customer data and information model and strategy <ul style="list-style-type: none"> Project 34: Data and information management model/strategy (ongoing) - customer data Project 159: Customer Connection Speed & Self Service Project 160: Customer Planned Outage Management Project 161: Customer Fault Response ETA & Insights Planned 	N/A
29	Cost	Program Costs	Program 3: Improve corporate platforms to provide common, fit-for-purpose platforms to enable staff to effectively perform their jobs. <ul style="list-style-type: none"> Project 58: Enterprise payment gateway Project 60: Cash and liquidity risk management 	N/A

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ID	Assumption Type	Category	Assumption	Metric
30	Cost	Program Costs	Program 4: Maintain fit-for-purpose solutions to enhance customer and workforce experience. <ul style="list-style-type: none"> Project 99: Customer registration and control portal (ongoing) 	N/A
31	Cost	Program Costs	Program 6: Improve visibility of technology infrastructure <ul style="list-style-type: none"> Project 134: Real-time data capabilities Project 137: DR, fallover, backup and recovery solutions (ongoing) Project 138: Hybrid hosting refresh 	N/A
32	Cost	Program Costs	Program Management Resourcing <ul style="list-style-type: none"> 2 Program Managers will be resourced at 0.1 FTE full-time for the duration of the Program and 1 Program Manager will be resourced at 0.1 FTE full-time until FY27. Quality Assurance Manager will be resourced at 0.1 FTE full-time for the duration of the Program Quality Assurance Team Member will be resourced quarterly for 0.1 FTE for the duration of the projects underneath the Programs Please refer to Program Master Schedule for roll start and end dates 	N/A
33	Cost	Develop and Deploy	All costs for these are resourcing costs: Please see Program Master Schedule for each option for the resourcing levels Please see Resource Rate Card for each option for the rates	N/A
34	Cost	Develop and Deploy	Project Duration Low Complexity = 3 month project Medium Complexity = 6 month project High Complexity = 12 month project Other = Unique Resourcing Requirements	N/A

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ID	Assumption Type	Category	Assumption	Metric
35	Cost	Develop and Deploy	Low Complexity Projects <ul style="list-style-type: none"> Project 2: Augmented/Virtual Reality interface Project 3: External-facing mobile apps, webapps modernisation Project 8: End to end cross-platform self-service automation Project 11: Contact Centre Platform Consolidation (ongoing) Project 99: Customer registration and control portal (ongoing) Project 134: Real-time data capabilities Project 137: DR, fallover, backup and recovery solutions (ongoing) 	N/A
36	Cost	Develop and Deploy	Medium Complexity Projects <ul style="list-style-type: none"> Project 1: Self-service & automation (ongoing) Project 7: Digital Services Platform Enhancements (ongoing) Project 9: Customer Experience Platform Enhancements (ongoing) Project 12: Real-time data access for customer portals Project 58: Enterprise payment gateway Project 60: Cash and liquidity risk management Project 138: Hybrid hosting refresh 	N/A
37	Cost	Develop and Deploy	High Complexity Projects <ul style="list-style-type: none"> Project 159: Customer Connection Speed & Self Service Project 160: Customer Planned Outage Management Project 161: Customer Fault Response ETA & Insights Planned 	N/A
38	Cost	Develop and Deploy	Other projects <p>Project 34: Data and information management model/strategy (ongoing)</p> <ul style="list-style-type: none"> Resourcing: Requires additional data resources (equivalent to 3 FTEs) already required under the data workstream low complexity strategy plan. Duration: Assumed to be low complexity (equivalent to 3 months). 	N/A

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ID	Assumption Type	Category	Assumption	Metric
			<ul style="list-style-type: none"> Change team not required Application team not required Systems and network team not required 	
39	Cost	Develop and Deploy	Capital Expenditure/Operating Expenditure split All projects in the pipeline have been allocated a project type based on the split of project and product costs between capital and operating expenditure: System implementation/major upgrade, SaaS/Cloud implementation/upgrades, SaaS/Cloud equivalent to 'On Prem' solution, Security/Infrastructure implementation/refresh, Strategy and planning	N/A
40	Cost	Develop and Deploy	Capital Expenditure/Operating Expenditure split: System implementation/major upgrade <ul style="list-style-type: none"> Project 99: Customer registration and control portal (ongoing) 	N/A
41	Cost	Develop and Deploy	Capital Expenditure/Operating Expenditure split: SaaS/Cloud implementation/upgrades <ul style="list-style-type: none"> Project 58: Enterprise payment gateway Project 60: Cash and liquidity risk management 	N/A
42	Cost	Develop and Deploy	Capital Expenditure/Operating Expenditure split: SaaS/Cloud equivalent to 'On Prem' solution <ul style="list-style-type: none"> Project 1: Self-service & automation (ongoing) Project 2: Augmented/Virtual Reality interface Project 3: External-facing mobile apps, webapps modernisation Project 7: Digital Services Platform Enhancements (ongoing) Project 8: End to end cross-platform self-service automation Project 9: Customer Experience Platform Enhancements (ongoing) Project 11: Contact Centre Platform Consolidation (ongoing) Project 12: Real-time data access for customer portals 	N/A

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ID	Assumption Type	Category	Assumption	Metric
43	Cost	Develop and Deploy	Capital Expenditure/Operating Expenditure split: Security/Infrastructure implementation/refresh <ul style="list-style-type: none"> Project 134: Real-time data capabilities Project 137: DR, fallover, backup and recovery solutions (ongoing) Project 138: Hybrid hosting refresh 	N/A
44	Cost	Develop and Deploy	Capital Expenditure/Operating Expenditure split: Strategy and planning <ul style="list-style-type: none"> Project 34: Data and information management model/strategy (ongoing) - customer data 	N/A
45	Cost	Develop and Deploy	Project Resourcing Refer to the Program Master Schedule tab for the project resourcing requirements: <ul style="list-style-type: none"> Workstreams required for each project Project organisational structure for each workstream Procurement decisions on who is delivering the capability Start/end dates for projects Interim resource capacity planning 	N/A
46	Cost	Develop and Deploy	AER Capex Categories All projects in the pipeline have been allocated to a single AER Capex categorisation: Non-Recurrent Maintain, Non-Recurrent Compliance and Non-Recurrent New Capability or Recurrent	N/A
47	Cost	Develop and Deploy	AER Capex Categories - Non-Recurrent New Capability <ul style="list-style-type: none"> Project 2: Augmented/Virtual Reality Interface Project 8: End to end cross-platform self-service automation Project 9: Customer Experience Platform Enhancements (ongoing) Project 12: Real-time data access for customer portals Project 58: Enterprise payment gateway Project 60: Cash and liquidity risk management 	N/A

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ID	Assumption Type	Category	Assumption	Metric
			<ul style="list-style-type: none"> Project 137: DR, failover, backup and recovery solutions (ongoing) Project 159: Customer Connection Speed & Self Service Project 161: Customer Fault Response ETA & Insights Planned 	
48	Cost	Infrastructure Upgrades	AER Capex Categories – Recurrent <ul style="list-style-type: none"> Project 1: Self-service & automation (ongoing) Project 3: External-facing mobile apps, webapps modernisation Project 7: Digital Services Platform Enhancements (ongoing) Project 11: Contact Centre Platform Consolidation (ongoing) Project 34: Data and information management model/strategy (ongoing) - customer data Project 99: Customer registration and control portal (ongoing) Project 134: Real-time data capabilities Project 138: Hybrid hosting refresh Project 160: Customer Planned Outage Management 	N/A
49	Cost	Infrastructure Acquisition	Small: relative size of procurement requirement.	\$ 100,000
50	Cost	Infrastructure Acquisition	Medium: relative size of procurement requirement.	\$ 300,000
51	Cost	Infrastructure Acquisition	Large: relative size of procurement requirement.	\$ 900,000

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ID	Assumption Type	Category	Assumption	Metric
52	Cost	Infrastructure Acquisition	<p>Product procurement - None, ongoing: no procurement because required assets have already been obtained.</p> <ul style="list-style-type: none"> Project 1: Self-service & Automation (ongoing) Project 2: Augmented/Virtual Reality Interface Project 3: External-facing mobile apps, webapps modernisation Project 7: Digital Services Platform Enhancements (ongoing) Project 9: Digital Services Platform as a Managed Service Project 11: Contact Centre Platform Consolidation (ongoing) Project 34: Data and information management model/strategy (ongoing) - customer data Project 99: Customer registration and control portal (ongoing) Project 137: DR, fallover, backup and recovery solutions (ongoing) 	N/A
53	Cost	Infrastructure Acquisition	<p>Product procurement - None, SaaS: no procurement capital expenditure cost as projects leverage existing tools that have a cloud-based procurement nature.</p> <ul style="list-style-type: none"> Project 58: Enterprise payment gateway Project 60: Cash and liquidity risk management 	N/A
54	Cost	Infrastructure Acquisition	<p>Product procurement - Small No projects under this investment brief</p>	N/A
55	Cost	Infrastructure Acquisition	<p>Product procurement – Medium</p> <ul style="list-style-type: none"> Project 8: End to end cross-platform self-service automation 	N/A
56	Cost	Infrastructure Acquisition	<p>Product procurement – Large</p> <ul style="list-style-type: none"> Project 12: Real-time data access for customer portals Project 134: Real-time data capabilities 	N/A
57	Cost	Infrastructure Acquisition	<p>Product procurement - Percentage: where an appropriate percentage of total cost is allocated to product.</p>	80%

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ID	Assumption Type	Category	Assumption	Metric
			<ul style="list-style-type: none"> Project 138: Hybrid hosting refresh 	
58	Cost	Infrastructure Acquisition	The Infrastructure Pattern worksheet provides per project the timing of acquisition of assets for the individual projects.	N/A
59	Cost	Infrastructure Maintenance	Infrastructure Maintenance as a proportion of project total expenditure	5.78%
60	Cost	Service Management	Support Costs as a proportion of project total expenditure	3.26%
61	Cost	Contingency	Contingency Rates are based on a conservative assumption of the risk profile and complexity of the projects	19%
62	Cost	Other Program Costs	Travel Costs for the Program are based on a proportion of the overall Program costs.	0.50%
63	Cost	Other Program Costs	Office Accommodation Costs for the Program, including accommodation, stationery, and ICT equipment is based on a proportion of the overall Program Costs.	2.00%

Table 19: Assumptions for Cost-benefit analysis of investment brief “Meeting core customer expectation for a safe, affordable and reliable electricity supply”.

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