



## **2016–2020 Price Reset**

### **Appendix A Our customer engagement**

**April 2015**

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

**Table of contents**

<b>1</b>	<b>INTRODUCTION .....</b>	<b>3</b>
<b>2</b>	<b>OVERVIEW OF OUR ENGAGEMENT PROGRAM .....</b>	<b>4</b>
<b>3</b>	<b>OBJECTIVES.....</b>	<b>5</b>
<b>4</b>	<b>OUR ENGAGEMENT APPROACH .....</b>	<b>6</b>
4.1	Phased approach .....	6
4.2	Expertise .....	6
4.3	Engagement framework .....	7
<b>5</b>	<b>OUR CUSTOMERS AND STAKEHOLDERS .....</b>	<b>9</b>
5.1	Customers.....	9
5.2	Stakeholders .....	10
<b>6</b>	<b>OUR ENGAGEMENT ACTIVITIES .....</b>	<b>11</b>
6.1	Overview.....	11
6.2	Research phase engagement activities .....	12
6.3	Consultation Phase .....	30
6.4	Other engagement activities .....	44
<b>7</b>	<b>WHAT OUR CUSTOMERS AND STAKEHOLDERS HAVE TOLD US.....</b>	<b>47</b>
7.1	Customer expectations.....	47
7.2	How we are responding.....	47
<b>8</b>	<b>LEARNING .....</b>	<b>51</b>
<b>9</b>	<b>CONCLUSION AND NEXT STEPS.....</b>	<b>52</b>
<b>10</b>	<b>APPENDIX AA: ALIGNMENT WITH AER CONSUMER ENGAGEMENT GUIDELINE .....</b>	<b>53</b>
<b>11</b>	<b>APPENDIX AB: MAPPING OF ENGAGEMENT ACTIVITIES AGAINST IAP2.....</b>	<b>56</b>
<b>12</b>	<b>APPENDIX AC: EXTRACTS FROM DIRECTIONS AND PRIORITIES SUBMISSIONS .....</b>	<b>61</b>

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

## **1 Introduction**

We take very seriously our responsibility to deliver electricity to all customers safely, reliably and efficiently. We also have a responsibility to work with our customers and diverse stakeholders to understand their requirements to ensure that we continue to deliver services that meet their needs now and in the future.

We have a proud history of customer engagement and for building, maintaining and enhancing effective relationships and dialogues with our customers. Our customer engagement includes a number of activities such as our:

- active customer consultative committee;
- Regional Business Managers (formerly referred to as Regional Asset Managers) who are responsible for developing and maintaining relationships with our major customers throughout our distribution network; and
- routine monitoring of customers' satisfaction, in particular we undertook significant community engagement activities to support the successful rollout of smart meters to over 99 per cent of our customers.

A comprehensive review of the effectiveness of our business as usual engagement activities was undertaken during early 2013 and this review, combined with recent stakeholder engagement experience from utility businesses both in the United Kingdom of Great Britain (**UK**) and in Australia, was incorporated into the development of our price reset stakeholder engagement program (**engagement program**) in mid-2013. In parallel, we provided input to the Australian Energy Regulator (**AER**) as they developed the *Consumer Engagement Guideline for Network Service Providers* (**Consumer Engagement Guideline**).

The cornerstone of our engagement program was the importance of commencing our engagement activities early enough to enable time for effective engagement as well as time to consider customer feedback and factor the feedback into the development of our Regulatory Proposal for the 2016–2020 regulatory control period.

# Powercor

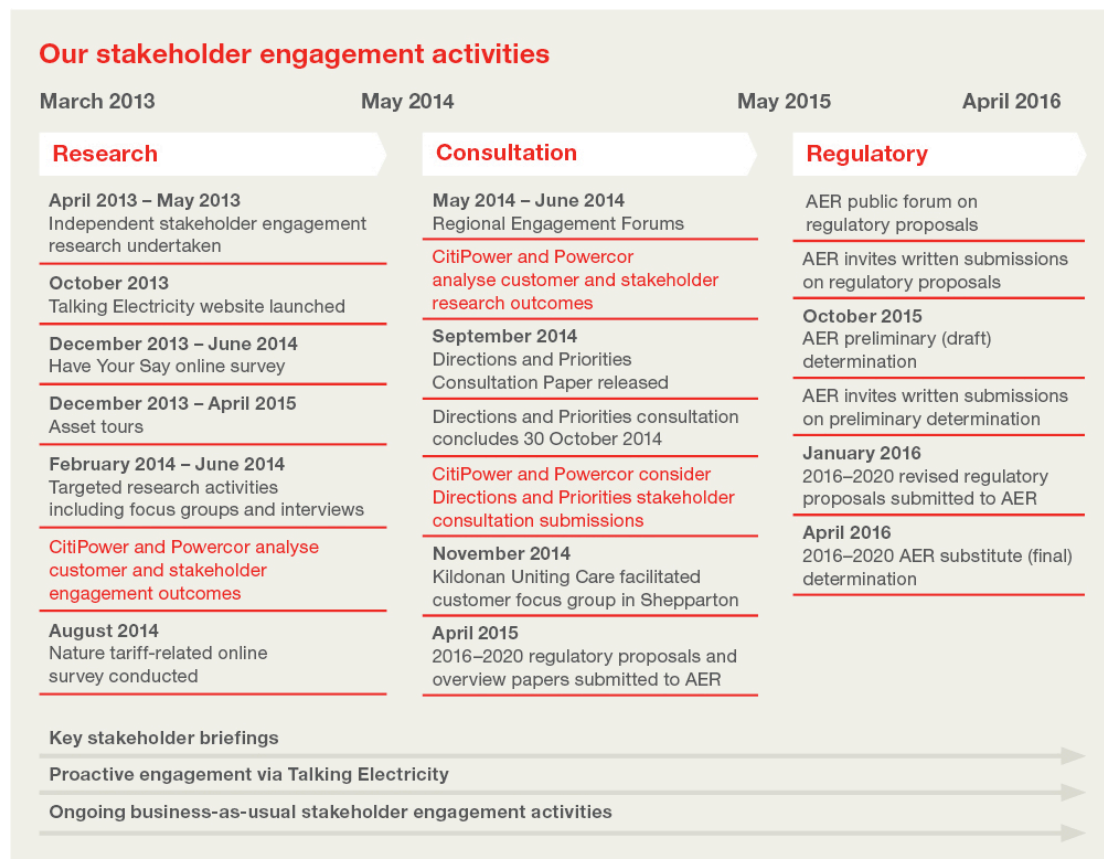
## 2016-2020 Price Reset

### Our customer engagement

## 2 Overview of our engagement program

To guide the development of our Regulatory Proposal, we designed and implemented our comprehensive Price Reset Stakeholder Engagement Program (**engagement program**), the objective of which was to engage with our customers and stakeholders in order to understand their current and future needs, concerns and preferences. An overview of our engagement program is provided in figure 2.1 below.

Figure 2.1 Our price reset stakeholder engagement program



Source: Powercor

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

### **3 Objectives**

Our objectives for the engagement program were to:

- help our customers and stakeholders gain a better understanding of the electricity industry and raise their awareness of our role;
- successfully communicate our price reset-related plans to our customers and stakeholders via open and clear channels with a view to those customers and stakeholders becoming informed participants in the price reset (also referred to as regulatory determination) process;
- ensure we were positioned to listen early to our customers' and stakeholders' concerns;
- better understand the views and preferences of our customers and stakeholders;
- assess the concerns and issues raised and our potential to address them;
- provide prompt and clear feedback to our customers and stakeholders on our assessment and how we are planning to incorporate the feedback into our future plans;
- use the feedback we received from customers and stakeholders to help shape our Regulatory Proposal;
- be inclusive and clearly outline what our customers and stakeholders could expect from us via our engagement activities;
- demonstrate an evidence based process;
- implement good engagement practices and share our learnings with other distributors;
- comply with regulatory guidelines, including the AER's consumer engagement guideline for network service providers; and
- provide an ongoing platform for future engagement activities.

# Powercor

## 2016-2020 Price Reset

### Our customer engagement

## 4 Our engagement approach

### 4.1 Phased approach

As outlined in Figure 2.1, our engagement program encompasses three phases.

#### Research phase

Our research phase focussed primarily on informing our customers and stakeholders about who we are, our role in the supply of electricity and the services that we provide, engaging with our customers and listening to what our customer and stakeholders think about our current services, our performance and their future needs.

Market research undertaken during April 2013 as part of the review of our business as usual stakeholder engagement activities highlighted the fact that almost 80 per cent of our customers surveyed, particularly residential customers, did not know who we were, our role in the supply of electricity and the services that we provide<sup>1</sup>.

#### Consultation phase

Our consultation phase focused on involving our customers and stakeholders and was designed to progress and integrate customer expectations and concerns into our planning for the 2016–2020 regulatory control period. Key elements of this phase included our regional engagement forums and our ‘Directions and Priorities’ consultation, together with a targeted focus group. This phase culminates with the submission of our Regulatory Proposal to the AER on 30 April 2015.

#### Regulatory phase

The regulatory phase is focused on the AER’s evaluation of our Regulatory Proposal. This phase includes opportunities for our customers and stakeholders to provide feedback to the AER on our proposed expenditure plans and our required revenue for the 2016–2020 regulatory control period as part of the AER’s consultation activities.

### 4.2 Expertise

Our engagement program was managed with the assistance of stakeholder engagement experts from within our business, and was supported by market research organisations including one of Australia’s leading market research organisations, Colmar Brunton.

Colmar Brunton designed and hosted our price reset online survey, designed and facilitated the residential customer focus groups and conducted interviews with our small/medium enterprise (SME) and large business customers. This ensured independence of our quantitative and qualitative market research activities, the objective of which was to provide confidence that our customers’ views were obtained in a robust and credible manner. The research approach and results were formally documented by Colmar Brunton and have been published on our Talking Electricity website ([www.talkingelectricity.com.au](http://www.talkingelectricity.com.au)), our dedicated engagement website.

During the second half of 2014, Nature (quantitative market researchers) were engaged to design and host an online survey to understand our customers’ views on peak rebates and maximum demand tariffs, the results of which have informed our Tariff Structure Statement development and can be found on our Talking Electricity website.

---

<sup>1</sup> UMR Research CitiPower-Powercor Consumer survey May 2013 Final: ‘14% can name Powercor as their distributor’.

## **Powercor**

### **2016-2020 Price Reset**

### **Our customer engagement**

#### **4.3 Engagement framework**

The AER's consumer engagement guideline, issued in November 2013, provides a high level framework based on best practice principles drawn from the Stakeholder Engagement Standard (**AA1000SES**) and the International Association of Public Participation (**IAP2**) framework. Drawing on AA1000SES and IAP2, the Guideline outlines four best practice principles that should guide all aspects of network service providers' customer engagement.

The principles require all components of engagement to be:

- clear, accurate, relevant and timely;
- accessible and inclusive;
- transparent; and
- measurable.

Our engagement program was designed to comply with these principles and, in addition, we adopted a best practice approach to stakeholder engagement based on an adaption of the highly respected IAP2 spectrum.

The IAP2 spectrum is an internationally recognised, best practice framework designed to assist organisations select the appropriate level of engagement for different stakeholder groups. Recognising that there is no 'one right' approach to stakeholder engagement, the spectrum provides us with an adaptive framework for successful stakeholder engagement.

The spectrum provides five engagement levels – inform, consult, involve, collaborate and empower – and depending on the current involvement or activity with each stakeholder group, their level of influence on us and their level of dependency on our success, they can be organised and prioritised for different levels of engagement. Depending on the involvement stakeholders currently have with us and our goals, some stakeholders will require higher levels of engagement than others, and some will need to be taken on a journey over a longer period of time. As part of the planning of our engagement activities, an IAP2 assessment was undertaken to confirm the desired engagement level of each activity.

Our engagement program has utilised a variety of channels and engagement tools to effectively engage with our diverse stakeholders to obtain feedback about our current and future services. This feedback has been considered in the development of our future business plans and our expenditure forecasts for the 2016-2020 regulatory control period. Table 4.1 summarises our assessment of our engagement program against the key performance benchmarks based on the AER's consumer engagement guideline.

# Powercor

## 2016-2020 Price Reset

### Our customer engagement

Table 4.1 Our engagement program alignment with key performance benchmarks

Performance benchmarks	Alignment
Clear, accurate, relevant and timely	✓
Accessible and inclusive	✓
Transparent	✓
Measurable	✓

Source: Powercor

We are proud of our comprehensive price reset engagement program and believe that it meets the requirements for effective customer engagement as outlined in the AER’s consumer engagement guideline and aligns with the IAP2 framework.

Refer to table AA.1 in Appendix AA of this document for an overview of how our engagement program has complied with the AER’s consumer engagement guideline.

Refer to table AB.1 in Appendix AB of this document for an overview of how our engagement activities were aligned to IAP2 objectives.



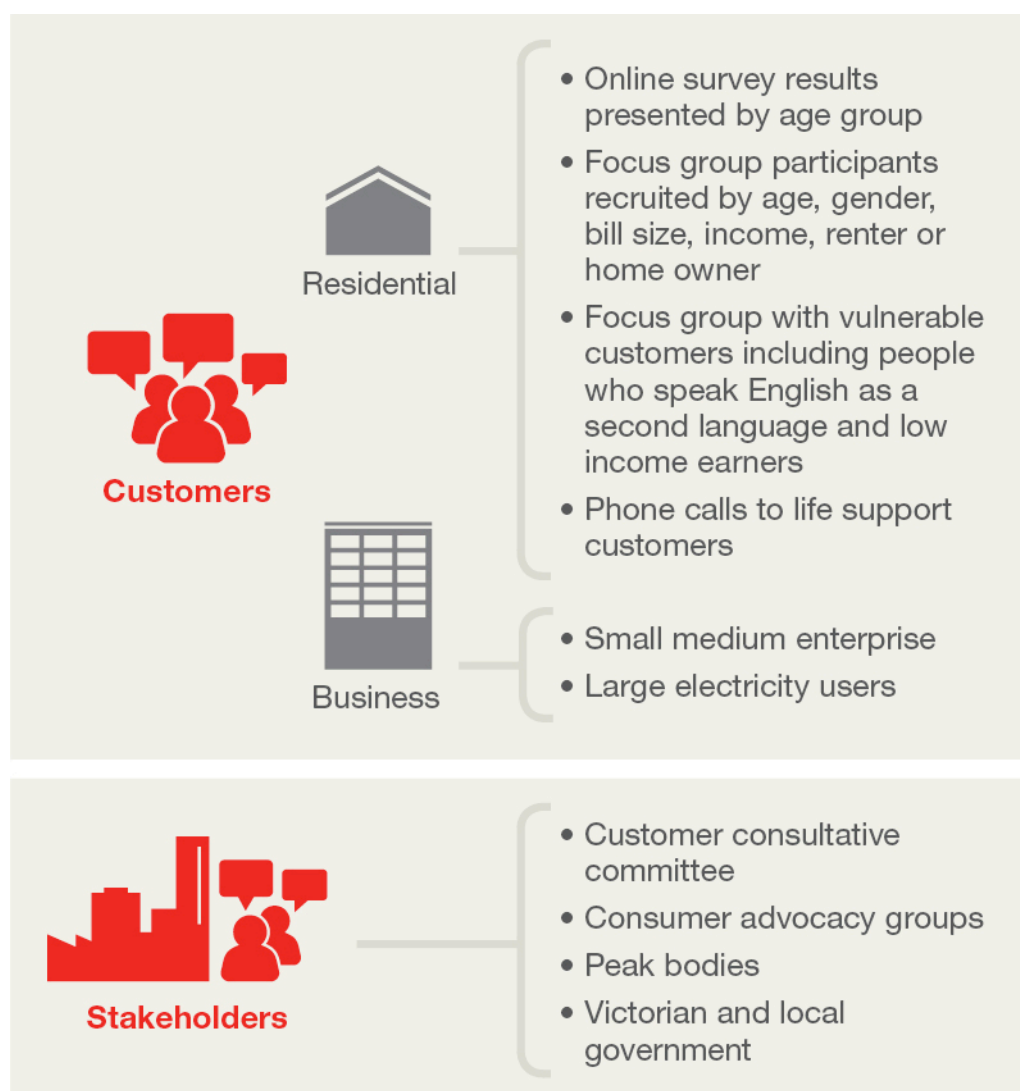
**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

## 5 Our customers and stakeholders

We have over 750,000 customers, 86 per cent of which are residential customers and 14 per cent are business customers.

As part of our engagement program planning, we identified different customers, customer cohorts and stakeholders to be engaged through a variety of engagement activities. Figure 5.1 summarises our customers and stakeholders.

Figure 5.1 Our customers and stakeholders



Source: Powercor

### 5.1 Customers

In broad terms our customers are:

#### Residential customers

We sought views from our residential customers across a broad range of demographics including age, income and geographic location. In addition, we undertook targeted engagement to reach

## **Powercor**

### **2016-2020 Price Reset**

### **Our customer engagement**

vulnerable customers – including customers on low incomes, migrants who do not speak English as a first language and our customers on life support.

#### **Business customers**

##### Small medium enterprises (SMEs)

This is a diverse group of small to medium-sized business customers that have an annual Distribution Use of System (DUoS) spend of between \$10,000 and \$500,000.

##### Large electricity users

Our large electricity users have an annual DUoS spend of between \$1,500,000 and \$6,000,000 and our largest customers account managed by our Regional Business Managers.

## **5.2 Stakeholders**

### **Customer consultative committee**

Our customer consultative committee (CCC) was established in 2000 and, during 2014, the members included a customer advocacy group representative, industry, local Government and rural stakeholders.

### **Consumer advocacy groups**

We have relationships with consumer advocacy organisations including the Energy and Water Ombudsman (Victoria) (EWOV), St Vincent de Paul and Consumer Utilities Advocacy Centre (CUAC).

### **Peak bodies**

Various parts of our business have long standing relationships with peak bodies and local development associations.

### **Victorian and local Government**

Our business has long standing relationships with both State and local Government.

### **Regulators**

In the course of our business as usual stakeholder engagement activity, we have frequent bi-lateral meetings with regulators such as the Australian Energy Regulator (AER) and Energy Safe Victoria (ESV).

# Powercor

## 2016-2020 Price Reset

### Our customer engagement

## 6 Our engagement activities

### 6.1 Overview

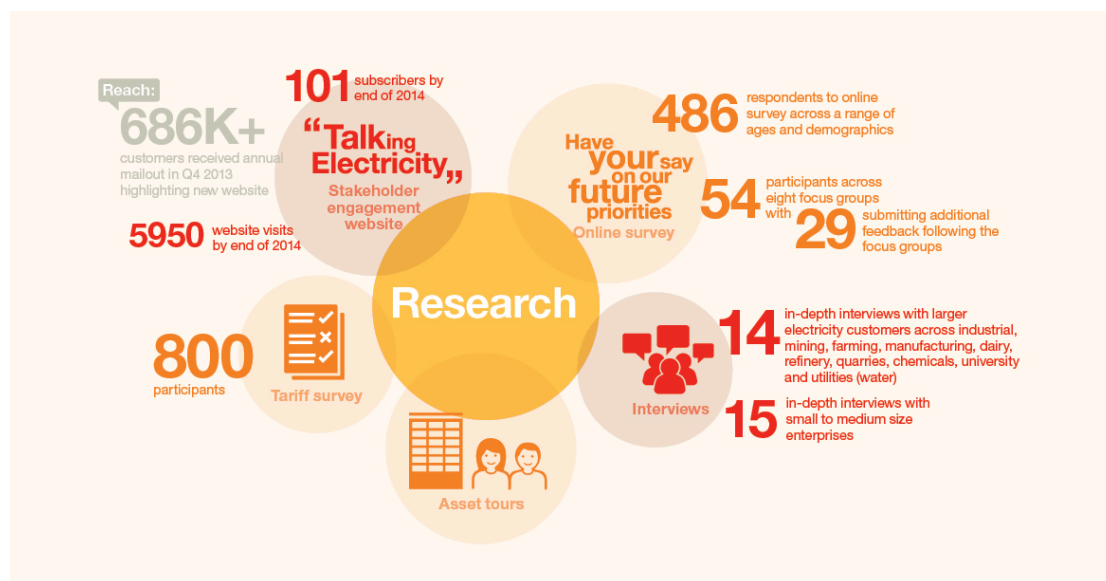
The engagement activities covered all customer segments and key stakeholder groups across our electricity distribution area. Opportunities to participate were widely promoted; we made use of independent market research experts, involved senior management and subject matter experts and aimed to reach different customer segments in a variety of ways. Refer to figures 6.1 to 6.3 for an overview of the engagement activities.

Figure 6.1 Engagement activities timeline



Source: Powercor

Figure 6.2 Research phase activities overview



Source: Powercor

# Powercor

## 2016-2020 Price Reset

### Our customer engagement

Figure 6.3 Consultation phase activities overview



Source: Powercor

## 6.2 Research phase engagement activities

Our research phase engagement activities comprised:

- business-wide stakeholder engagement strategy development;
- launch of Talking Electricity, our dedicated engagement website;
- online ‘Have your say’ survey;
- residential customer focus groups, including homework activity;
- small and medium enterprise customer in depth interviews;
- large electricity users in depth interviews;
- tariff-related online survey; and
- e-Newsletters.

The ‘Research’ phase focussed primarily on ‘informing’ our customers and stakeholders about who we are, our role in the supply of electricity and the services that we provide as well as ‘listening’ to what our customers and stakeholders think about our current services, our performance and their future needs.

This phase was designed to engage with all our customers and stakeholders to capture their feedback on all our current services and to identify their future needs.

Our research phase engagement activities can be assessed against the IAP2 framework as meeting the inform and consult objectives.

Figure 6.4 IAP2 rating of the research phase engagement activities

Inform	Consult	Involve	Collaborate	Empower
--------	---------	---------	-------------	---------

Source: Powercor

## **Powercor**

### **2016-2020 Price Reset**

#### **Our customer engagement**

##### **6.2.1 Business-wide stakeholder engagement strategy development**

In early 2013, we commenced a business-wide stakeholder engagement strategy development activity. The key inputs into the strategy were the findings from stakeholder research activities, undertaken by research company, UMR Research, during April and May 2013.

The external stakeholder research activities included:

- one-on-one interviews with councils, EWOV, large customer representative, consumer advocacy group representatives, AER, ESV, Victorian Government, resource partners, and retailers;
- discussion with our CCC members;
- focus groups;
- online focus groups; and
- online surveys.

A stocktake of all existing engagement activities, channels and tools was undertaken across the business as well as a desktop review of engagement approaches by other utility business both in Australia and overseas, in particular the UK. The stocktake and desktop review outcomes were factored into our overarching engagement strategy.

The price reset engagement program is a subset of our overarching engagement strategy. All price reset engagement activities have been developed and implemented in alignment with the overarching strategy to ensure a coordinated approach to engaging with our customers and stakeholders from both a business as usual and price reset perspective.

##### **6.2.2 Talking Electricity website**

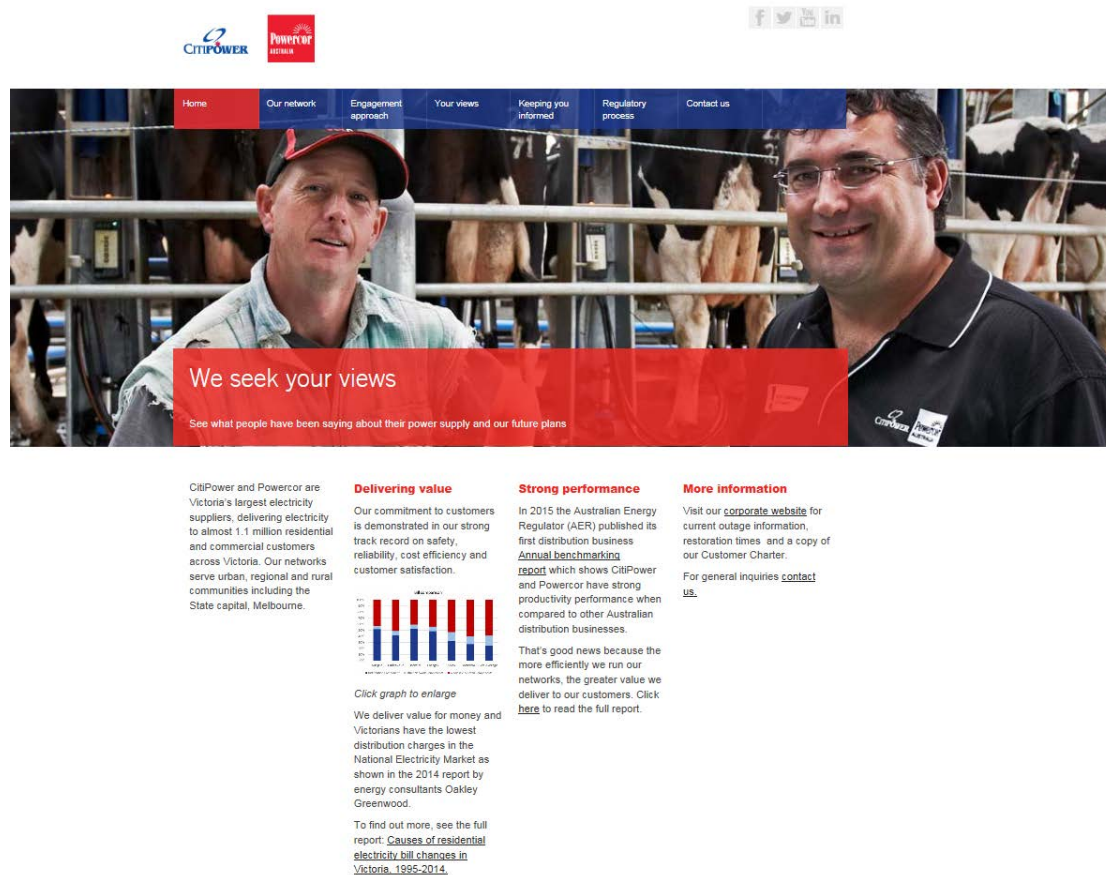
A key engagement tool which was used effectively in the UK to support the distribution businesses' engagement programs was a dedicated engagement website that provided a 'one stop shop' for all customers to access and review their engagement activities, materials and outcomes. The dedicated websites were either stand alone or integrated into the businesses' corporate website.

A decision was made to establish an externally hosted website, Talking Electricity, to support our price reset engagement activities.

Talking Electricity was launched in mid-October 2013.

# Powercor 2016-2020 Price Reset Our customer engagement

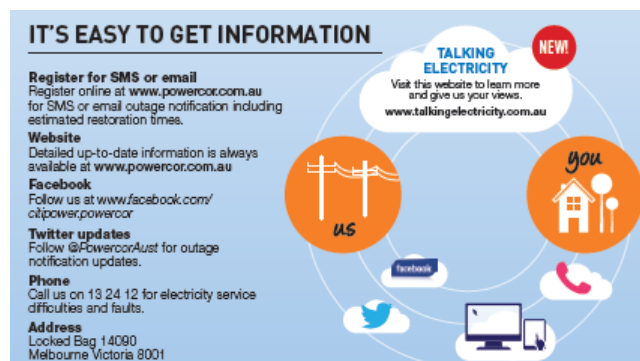
Figure 6.5 Talking Electricity home page



Source: Powercor, Talking Electricity March 2015

Our Talking Electricity website was promoted to all our customers via the 2013 annual customer mail out, a requirement for Victorian electricity distribution businesses under clause 9.1.2A of the Electricity Distribution Code.

Figure 6.6 2013 Annual customer mail out extract



Source: Powercor

To successfully engage with such a diverse range of our customers and stakeholders, it was important to provide key information on the electricity industry and our business so that our customers and stakeholders can easily understand the industry and our role. Our Talking Electricity website includes information on our business, the network and reliability performance along with

## Powercor

### 2016-2020 Price Reset

### Our customer engagement

the opportunity to better understand the regulatory process and the stakeholder engagement methods.

From when the site was launched in mid October 2013 to 31 March 2015 there have been over 7,000 site visits by our customers and stakeholders with more than 16,500 page views. The most page views are to the home page or 'Our Network – your bill' sections. There was increased activity around engagement activities such as regional engagement forums and the release of the Directions and Priorities Consultation. People's interest also coincided with the 2013 and 2014 customer mail outs.

Figure 6.7 Talking Electricity page views



Source: Powercor, google analytics data

In addition to Talking Electricity being the single repository for all price reset stakeholder engagement materials and outcomes, a link to the Colmar Brunton-hosted online survey was placed on both the home page and engagement activities webpage, enabling our customers and stakeholders to easily access the online survey.

Our Directions and Priorities Consultation Paper was published on Talking Electricity, together with an online feedback form. Submissions on the Directions and Priorities Consultation Paper are published on this website along with all the outcomes of engagement research, ensuring the transparency of our engagement process and demonstrating accountability for how we integrate customer and stakeholder feedback into our future business plans.

Our Talking Electricity website continues to be a key engagement tool and will be used to seek further feedback on our strategic priorities, including our tariff reform engagement activities during 2015.

#### 6.2.3 'Have your say' online survey

Colmar Brunton, one of Australia's leading market research organisations, was engaged in November 2013 to facilitate customer research and feedback in a variety of ways to capture the diversity of customers and stakeholders within our service area.

The first market research activity was our 'Have your say' online survey which Colmar Brunton designed, hosted and reported the findings.

The purpose of the online survey, which was open for responses between 3 December 2013 and 1 July 2014, was to provide our customers and stakeholders with the opportunity to have their say on our services and priorities, now and in the future.

The survey was designed to cover all our services and to provide the opportunity for respondents to provide feedback, including opportunities to include comments, both on specific questions and in general. Topics included:

- familiarity and level of understanding;



## Powercor 2016-2020 Price Reset Our customer engagement

- customer experience and satisfaction;
- preferred method of contact;
- community safety and reliability;
- asset management;
- vegetation management;
- visual amenity;
- pricing; and
- profile and demographics.

The customer survey was accessible via our Talking Electricity website and was open to all our customers and stakeholders.

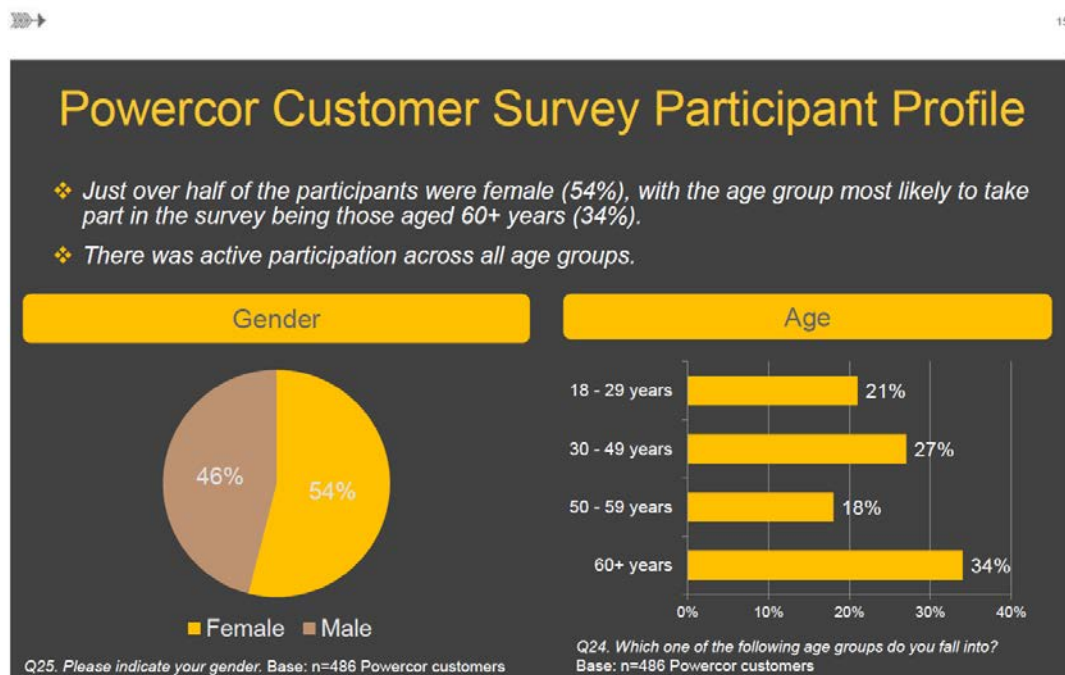
On its launch, the online survey was promoted via media press release and actively via our Corporate Affairs teams and our Regional Business Managers as well as to our employees, many of whom are our customers or who have family and/or friends who are our customers.

### Who responded to our survey?

In total, 486 customers and stakeholders participated in our online survey with over 100 customers completing the survey for each of the following age groups: 18-29, 30-49, 50-59 and 60+.

This ensured a statistically reliable total sample size, along with a sample that would enable analysis by age group. Figure 6.8 below provides an overview of the online survey participants.

Figure 6.8 Overview of online survey participants



colmar brunton.

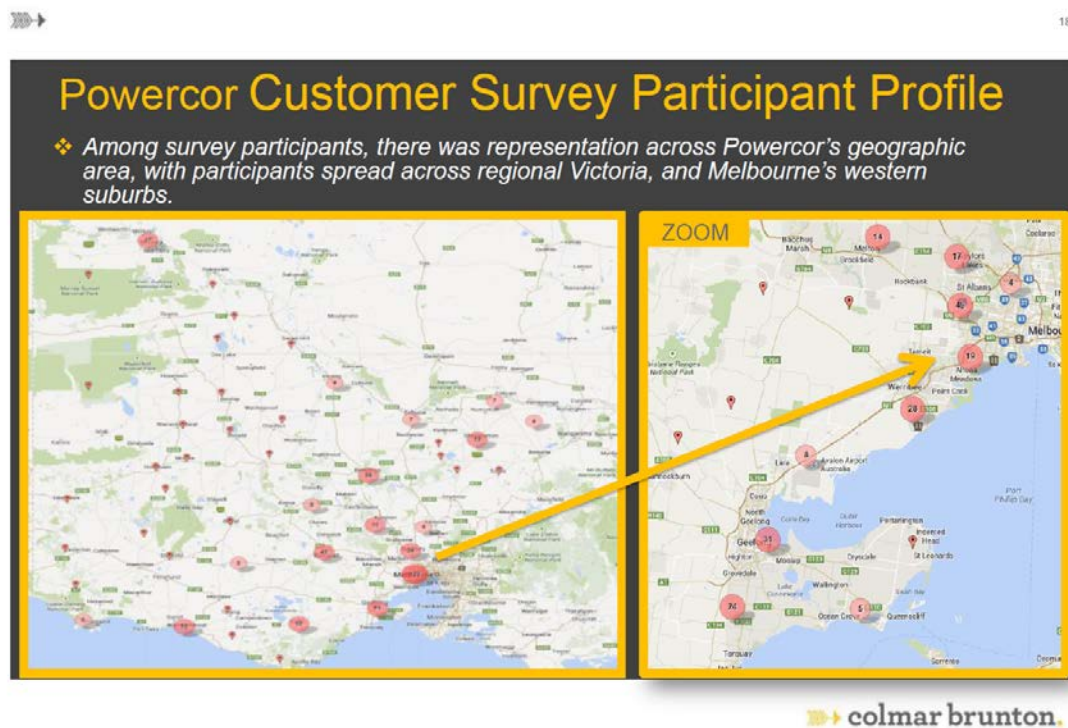
Source: Colmar Brunton



## Powercor 2016-2020 Price Reset Our customer engagement

Figure 6.9 below summarises the geographic location, identified via postcode, of our online survey participants.

Figure 6.9 Overview of location of our online survey participants



Source: Colmar Brunton

### High level findings

A snapshot of the high level findings is provided below.

Two thirds (67 per cent) of those that participated in the online customer survey felt they knew the difference between an electricity distributor and an electricity retailer, with the vast majority of respondents aware of whom their electricity distributor is.

Around eight out of ten respondents were satisfied (83 per cent) with the current levels of electricity supply reliability.

The majority of survey participants would accept small price increases that contributed to reduced risk of fire danger. All other areas received negative net scores.

Most participants (93 per cent) saw a 'small increase' in their electricity bill as being less than five per cent, the most common expectation (67 per cent) was that a small increase would be less than two per cent.

When it comes to messages relating to safety, there was a preference for the development of a wider safety campaign targeted at all those that come into contact with the electricity network.

When asked what additional services would help customers, there was mention of increased access to data and information, alongside a focus on renewable energy.

*'Enable connection to Smart Meter via the internet so I can view my usage online in real time.'*

## Powercor 2016-2020 Price Reset Our customer engagement

### Detailed findings

The detailed findings can be found in the *'Online Customer Survey Results'* report prepared by Colmar Brunton, dated 18 July 2014.

Figure 6.10 Online survey results report



Source: Colmar Brunton

This report is available on our Talking Electricity website via the following link:

[http://talkingelectricity.com.au/wp/wp-content/uploads/2014/07/Powercor\\_Online-Consumer-Survey\\_Report\\_V2.pdf](http://talkingelectricity.com.au/wp/wp-content/uploads/2014/07/Powercor_Online-Consumer-Survey_Report_V2.pdf)

#### 6.2.4 Residential focus groups

Between February and April 2014, eight residential customer focus groups were conducted in Bendigo, Mildura, Werribee and Colac to ensure a representative inclusion of our customers.

Focus group discussions enable complex industry language to be clearly understood by research participants through the ability to explain conversation areas and utilise stimulus boards. This ensures a two way dialogue, with opportunities to respond to, and clarify, customer questions.

Through this approach, Colmar Brunton were able to generate rich context through a series of guided discussions with residential customers.

The allocation of focus groups was structured to include two focus groups in each of the following customer types:

- aged 18-29;
- aged 30-49 with children;
- aged 30-49 without children; and

## Powercor

### 2016-2020 Price Reset

### Our customer engagement

- aged 50+.

This is in line with best practice to ensure focus group participants have a strong, common connection, such as age/life stage and similarly, it is best practice to run a minimum of two focus groups for each specific demographic group, so as to deliver confidence through the observation of consistent or recurring themes.

Participants are recruited by Colmar Brunton to meet demographic, life stage and geographic specifications, to ensure engagement with customers that are reflective of the residential customer base. Within each age and life stage grouping, specifications were also placed on income (low, medium, high), home ownership/renting and bill size, to ensure each focus group contained appropriate diversity in views. Participants were paid for their time, ensuring the research is not biased by those with unusually high category engagement levels.

#### Participants

Figure 6.11 below provides an overview of the participant profile for the residential customer focus groups.

Figure 6.11 Overview of Residential customer focus groups participant profile



7

Focus groups were held in Bendigo, Werribee, Mildura and Colac, with Powercor customers invited based on age, life stage and postcode.

Group	Date	Customer	Participant Profile	Location
1	Thursday 27 <sup>th</sup> February 2014	Powercor	Aged 30-49 with children	Bendigo
2	Thursday 27 <sup>th</sup> February 2014	Powercor	Aged 18-29	Bendigo
3	Wednesday 19 <sup>th</sup> March 2014	Powercor	Aged 18-29	Werribee
4	Wednesday 19 <sup>th</sup> March 2014	Powercor	Aged 30-49 without children	Werribee
5	Tuesday 25 <sup>th</sup> March 2014	Powercor	Aged 50+	Mildura
6	Tuesday 25 <sup>th</sup> March 2014	Powercor	Aged 30-49 with children	Mildura
7	Tuesday 1 <sup>st</sup> April 2014	Powercor	Aged 50+	Colac
8	Tuesday 1 <sup>st</sup> April 2014	Powercor	Aged 30-49 without children	Colac



Source: Colmar Brunton

# Powercor

## 2016-2020 Price Reset

### Our customer engagement

#### High level findings

A snapshot of the high level findings is provided below.

There were high levels of awareness of us as an electricity supplier with rural customers having a greater understanding of our role.

Some of the feedback received during the focus groups included:

- close attention should be paid to safety and maintenance - there was an overwhelming desire for us to take all measures available to minimise any potential fire or safety related risk;
- speed of response is important when issues occur;
- expenditure should be efficient;
- we should engage in forward and proactive planning;
- infrastructure for new suburbs should be considered and include underground cables;
- customers were confused and concerned about the core benefits of smart meters; and
- most people felt current vegetation management approach was acceptable however there were sensitivities around old established trees in city centres.

#### Detailed findings

The detailed findings can be found in the '*Residential Customer Focus Groups & SME Customer Interviews*' report prepared by Colmar Brunton, dated 1 May 2014.

Figure 6.12 Residential customer focus groups & SME customer interviews report



Source: Colmar Brunton

## **Powercor**

### **2016-2020 Price Reset**

### **Our customer engagement**

This report is available on our Talking Electricity website via the following link:

[http://talkingelectricity.com.au/wp/wp-content/uploads/2014/07/Powercor\\_Stakeholder-Engagement\\_Residential-Focus-Groups-and-SME-Depth.pdf](http://talkingelectricity.com.au/wp/wp-content/uploads/2014/07/Powercor_Stakeholder-Engagement_Residential-Focus-Groups-and-SME-Depth.pdf)

#### **Homework activity**

A homework activity was also included as part of the residential focus group research phase.

The homework activity gave residential customers the opportunity to think about specific topics, and provide a considered response, which was then incorporated into residential customer reports.

Topics included:

- powerline undergrounding;
- vegetation management;
- smart meters;
- S\smart Grid;
- local streetscape and amenities; and
- feedback about the Talking Electricity website.

All research participants were provided the opportunity to complete the homework activity.

The homework activity included ten questions, which were provided to participants in a printed, bound booklet and stamped, return envelope.

A total of 29 homework activities were returned from a total of 54 focus group participants (translating to a 54 per cent participation rate).

#### **Homework activity responses**

A snapshot of some of the homework activity responses is provided below.

##### **Powerline undergrounding**

*Older more established areas, where the poles/wires are ageing and are no longer safe/reliable - then work area by area over time to slowly replace remainder.*

##### **Vegetation management**

*I think safety is the number one priority here. I do not have a preference for heavy or light trimming. I would argue that the safest resulting job needs to be performed and completed efficiently and as often as required.*

##### **Smart meters**

*To be able to monitor my own usage when that service becomes available. To look at ways to reduce consumption.*

##### **Smart Grid**

*I understand that we must plan for the future growth of society and the need for solar and hydro alternatives - obviously - bills are high enough but small addition to bills we would have to accept.*

##### **Local streetscape and amenities**



## Powercor

### 2016-2020 Price Reset

### Our customer engagement

*Less blackouts during extreme heat would be an improvement. Street lighting is also a concern (lack of it) and a knowledge of off peak usage (when best to use) would be handy. If an upgrade of assets brings efficiency and competitive prices, you must look at the best options.*

#### **Feedback about the Have Your Say website**

*A lot of information, can find answers if you wish to. Simple enough to get around.*

#### **Detailed findings**

The detailed findings can be found in the 'Residential Customer Homework Activity Snapshot' report prepared by Colmar Brunton, dated 24 July 2014.

This report is available on our Talking Electricity website via the following link:

[http://talkingelectricity.com.au/wp/wp-content/uploads/2014/07/Powercor\\_Residential-Customer\\_Homework\\_Activity\\_Verbatim\\_Snapshot.pdf](http://talkingelectricity.com.au/wp/wp-content/uploads/2014/07/Powercor_Residential-Customer_Homework_Activity_Verbatim_Snapshot.pdf).

#### **6.2.5 SME customer in depth interviews**

In depth interviews were undertaken to generate qualitative research capturing insights from a time poor and geographically diverse group of SME customers.

It was recognised that SME customers had highly individual experiences and expectations of their electricity distributor. To ensure the views of SME customers were accurately reflected, a series of one on one in depth interviews were conducted, with participants selected to ensure representation across various industries and locations.

Fifteen (15) SME customer interviews were conducted with our customers via telephone or face to face, allowing a geographically diverse participant profile, whilst also allowing participants to nominate a time convenient to them.

Participants were selected to ensure representation by business type, industry, location and annual electricity spend, with all participants being actively involved in decisions relating to their business' energy bills.

The in-depth interviews ran for 40-60 minutes and involved a structured, open discussion covering the following areas:

- top of mind association, experience and familiarity;
- reliability vs affordability;
- smart meters and access to information;
- new connections;
- visual amenity;
- vegetation management;
- safety and bushfire management;
- future network; and
- network tariffs.

#### **Participants**

Figure 6.13 below provides an overview of the participant profile for the SME customer in depth interviews.

# Powercor

## 2016-2020 Price Reset

### Our customer engagement

Figure 6.13 Overview of SME in depth interviews participant profile

SME customer in-depth interviews included the following customer profiles:

Interview	Profile	Role	Industry	Location	Employees	Quarterly Bill
1	Female, 55 years	Director	Manufacturing	Williamstown (3016)	2	Less than \$10,000
2	Female, 54 years	Owner Operator	Hospitality	Williamstown (3016)	7	Less than \$10,000
3	Male, 36 years	Owner Operator	Manufacturing	Melton (3338)	7	Less than \$10,000
4	Male, 42 years	Operations Manager	Agriculture	Ballarat (3350)	8	\$50,000 - \$500,000
5	Female, 46 years	Finance Manager	Professional Services	Ballan (3342)	7	\$10,000 - \$50,000
6	Female, 33 years	Accountant	Agriculture	Illowa (3282)	9	\$10,000 - \$50,000
7	Female, 44 years	Owner Operator	Hospitality	Beech Forest (3237)	8	Less than \$10,000
8	Male, 51 years	Director	Industrial	Sunshine West (3020)	8	\$10,000 - \$50,000
9	Male, 57 years	CFO	Freight Logistics	Altona North (3025)	10	\$50,000 - \$500,000
10	Female, 36 years	Accountant	Manufacturing	Colac (3250)	7	\$10,000 - \$50,000
11	Male, 50 years	Finance	Aged Care	Keilor East (3033)	9	\$10,000 - \$50,000
12	Female, 42 years	Owner Operator	Hospitality	Halls Gap (3381)	8	\$10,000 - \$50,000
13	Male, 41 years	Owner Operator	Manufacturing	Kialla (3631)	7	Less than \$10,000
14	Male, 31 years	Owner Operator	Construction	Hamlyn Heights (3215)	7	Less than \$10,000
15	Male, 42 years	Osteopath	Medical	Bendigo (3550)	10	\$10,000 - \$50,000



Source: Colmar Brunton

### High level findings

A snapshot of the high level findings is provided below.

SME customers expect:

- reliability, safety and forward planning;
- continuous reliable supply;
- speed of responsiveness when issues occur;
- timely and accurate communication when unplanned outages occur;
- close attention to safety and regular maintenance;
- efficient expenditure on upgrades and maintenance; and
- long term planning to ensure the integrity, capacity and capability of the network is maintained and improved.

Smart, forward planning investment is seen as desirable by SME customers.

There is a clear desire to see forward planning rather than just upgrading infrastructure and there was a need expressed that population trends be monitored, a future position established by distributors and then investment be made to get to that future position – ensuring that we are ahead of the game rather than simply keeping up.

There was a clear preference for upgrades to old infrastructure to be made in ways that created future benefits, with particular mention of undergrounding rather than replacing old poles/wires and also a clear view that new developments should include undergrounding powerlines.

*I don't believe in investing in infrastructure just for the sake of it.*

*We need clever investment that contributes to longer term gains, not just more of the same.*

# Powercor

## 2016-2020 Price Reset

### Our customer engagement

#### Detailed findings

The detailed findings can be found in the '*Residential Customer Focus Groups & SME Customer Interviews*' report prepared by Colmar Brunton, dated 01 May 2014.

Figure 6.14 Residential customer focus groups & SME customer interviews report



Source: Colmar Brunton

This report is available on our Talking Electricity website via the following link:

[http://talkingelectricity.com.au/wp/wp-content/uploads/2014/07/Powercor\\_Stakeholder-Engagement\\_Residential-Focus-Groups-and-SME-Depth.pdf](http://talkingelectricity.com.au/wp/wp-content/uploads/2014/07/Powercor_Stakeholder-Engagement_Residential-Focus-Groups-and-SME-Depth.pdf)

#### 6.2.6 Large electricity users in depth interviews

In depth interviews were undertaken to generate qualitative research capturing rich insights from time poor and a geographically diverse group of large electricity users. Our large electricity users customer segment is a customer segment that is based on the customers annual DUoS revenue. These customers are account managed by the Regional Business Managers.

It was recognised that our large electricity users had highly individual experiences and expectations of their electricity distributor. To ensure the views of large electricity users were accurately reflected, a series of one on one in depth interviews were conducted, with participants selected to ensure representation across various industries and locations.

Fourteen (14) large electricity users interviews were conducted with our customers via telephone, allowing a geographically diverse participant profile, whilst also allowing participants to nominate a time convenient to them.

Participants were selected to ensure representation by business type, industry, location and annual electricity spend, with all participants being actively involved in decisions relating to their corporate



## Powercor 2016-2020 Price Reset Our customer engagement

energy bills and all being amongst our large electricity users by annual electricity spend level. To ensure maximum engagement, the large electricity users were able to nominate a time convenient to them, were also sent a letter by their Regional Business Manager notifying them of the upcoming research.

In-depth interviews ran for 35-45 minutes and involved a structured, open discussion covering the following areas:

- expectations of us;
- importance of reliable supply;
- reliability and affordability;
- network tariffs;
- future plans;
- new connections; and
- future network.

### Participants

Figure 6.15 below provides an overview of the participant profile for the large electricity users in depth interviews.

Figure 6.15 Large electricity users participant profile



8

Powercor Top 200 Customers Participant Profile					
Interview	Profile	Role	Industry	Location	Annual Electricity Spend
1	Male	Manufacturing Manager	Industrial	Derrimut (3030)	\$1,500,000+
2	Male	General Manager	Mining	Mt Clear (3350)	\$2,000,000+
3	Male	Corporate Affairs	Farming	Lockwood (3551)	\$2,000,000+
4	Male	Electrical Maintenance	Manufacturing	Ballarat (3353)	\$4,000,000+
5	Male	Group Operations	Dairy	Warrnambool (3280)	\$2,000,000+
6	Male	Production Manager	Dairy	Tatura (3616)	\$2,000,000+
7	Male	Electrical Engineer	Dairy	Allansford (3277)	\$4,000,000+
8	Male	Senior Electrical Engineer	Refinery	Corio (3214)	\$6,000,000+
9	Male	Group Procurement Manager	Quarries	Waurn Ponds (3216)	\$3,000,000+
10	Male	Technical Manager	Chemicals	North Shore (3214)	\$2,000,000+
11	Male	Purchasing Manager	Chemicals	Laverton (3028)	\$1,500,000+
12	Male	Building Services Manager	University	Geelong (3220)	\$3,000,000+
13	Male	GM, Technical Services	Utilities - Water	Mildura (3500)	\$3,000,000+
14	Male	GM, Operations	Utilities - Water	Bendigo (3550)	\$2,000,000+



Source: Colmar Brunton

### High level findings

A snapshot of the high level findings is provided below.

## Powercor 2016-2020 Price Reset Our customer engagement

The large electricity users interviewed had high expectations of us and a well-informed view of the distribution network.

They expect us to provide reliable, cost efficient electricity. They want our business to be proactive, forward thinking and transparent, while maintaining a focus on community safety and reducing electricity related cost pressures felt by many regionally based businesses.

*It's basic, we need it to run our business. Without it, we have nothing.*

Large electricity users felt there is a need for increased 'partnering' and for us to take a lead role in asset and infrastructure investment.

When these large electricity users require new connections, they want us to be transparent, work to exact timelines, be flexible, understanding and dependable.

*We spend millions of dollars a year with them, we need to be treated like an important customer.*

Apart from onsite generation, alternative sources of energy were seen as too far removed from core business for significant focus. However the future planning of a Smart Grid was seen as a necessary initiative with widespread support.

*We're definitely supportive of a Smart Grid. With this, we could utilise our co-gen.*

### Detailed findings

The detailed findings can be found in the 'Top 200 Customers In-depth interviews' report prepared by Colmar Brunton, dated 22 July 2014.

Figure 6.16 Large electricity users in depth interviews report



Source: Colmar Brunton

## Powercor

### 2016-2020 Price Reset

### Our customer engagement

This report is available on our Talking Electricity website via the following link:

[http://talkingelectricity.com.au/wp/wp-content/uploads/2014/07/Powercor\\_Stakeholder-Engagement\\_Top\\_200\\_Depth-Interviews\\_Report\\_V1-2.pdf](http://talkingelectricity.com.au/wp/wp-content/uploads/2014/07/Powercor_Stakeholder-Engagement_Top_200_Depth-Interviews_Report_V1-2.pdf).

#### 6.2.7 Tariff research

We are looking at ways to better manage the network on hot days to ensure any network expenditure is as efficient as possible. In July 2014, we commissioned targeted market research to understand our customers' preferences relating to critical peak rebates and direct load control for pool pumps and air-conditioners.

Nature, quantitative market researchers, and Deloitte Access Economics were engaged to develop, host and report on the findings of an online survey which was targeted at the person who made energy decisions for their household.

800 customers were selected from postcodes in our service area, both men and women across a range of ages income levels, employment status and stages of life.

Two tariff options presented to customers:

- **tariff 1** – applicable to all residential customers, covering a wide range of appliances, with customers self-managing their electricity consumption on these days; and
- **tariff 2** – available to customers who have non-evaporative air conditioning and/or a pool pump at home. These appliances would be operated remotely by us.

Participants were also asked about the amount of notice they needed to change their appliance use and how they would like to be paid.

#### High level findings

The survey found that 60 per cent of our customers would be interested in critical peak rebates to reduce their electricity use on hot days. Respondents were willing to consider different ways of saving energy with men more likely to turn off air conditioning and older people more likely to choose not to use their washing machine.

Most people preferred 24-hour's notice to reduce their energy use, and most people would like an SMS notification, although some older customers preferred email. Most customers preferred a reduced bill to receive their rebate, but a direct bank deposit was also a popular option.

However customers were not as supportive of tariff 2, which would enable us to control appliances such as air conditioners on hot days. Customers felt a lack of control was the key deterrent. This was based on widespread resistance to the idea of an energy company controlling/operating an appliance(s) in the home.

#### Detailed findings

The detailed findings can be found in the '*CitiPower/Powercor Tariff Research*' report prepared by Nature, dated 17 September 2014.

## Powercor 2016-2020 Price Reset Our customer engagement

Figure 6.17 Tariff Research



Source: Nature

This report is available on our Talking Electricity website via the following link:

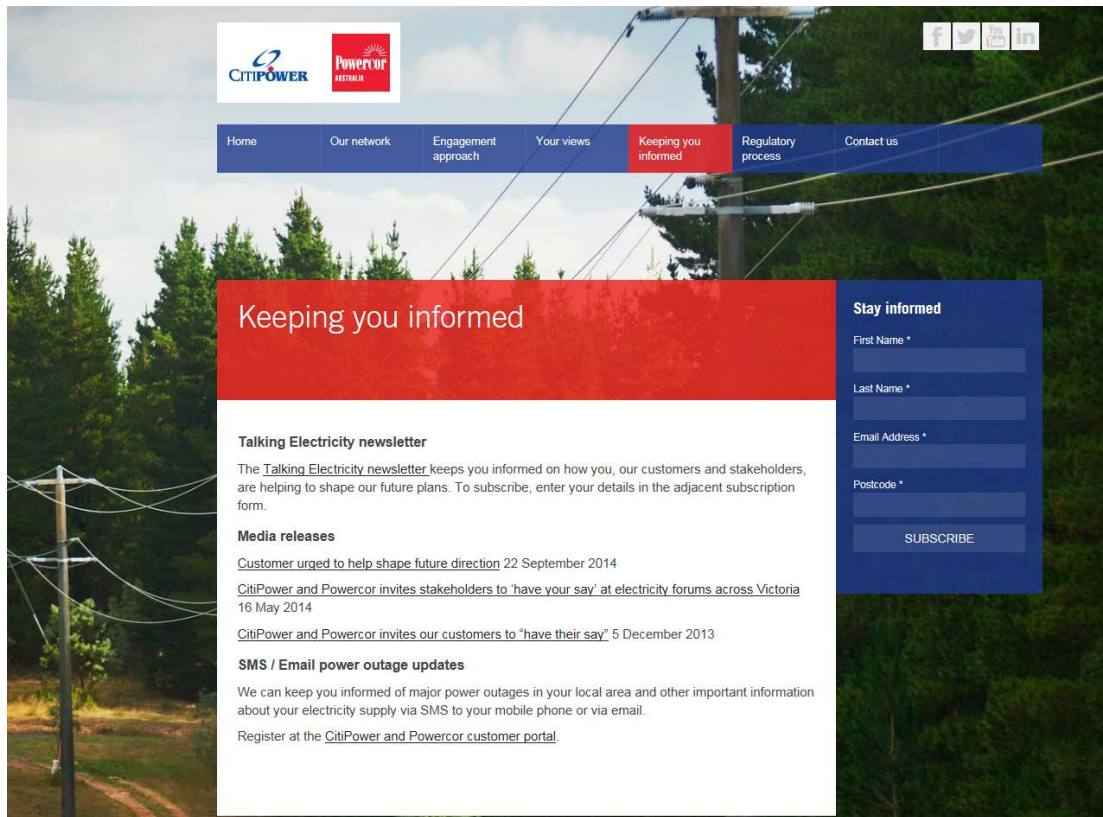
<http://talkingelectricity.com.au/wp/wp-content/uploads/2014/12/CitiPower-Powercor-Tariff-research-report-25.9.14.pdf>.

### 6.2.8 e-Newsletter

Our Talking Electricity website supports a subscription facility which enables our customers and stakeholders to subscribe to electronic newsletters to stay informed about our engagement activities and findings.

# Powercor 2016-2020 Price Reset Our customer engagement

Figure 6.18 Talking Electricity subscription capability



Source: Powercor

The Talking Electricity newsletter reflects feedback from customers and highlights new information published on the Talking Electricity website.

Figure 6.19 Talking Electricity letterhead



Source: Powercor

The number of e-Newsletter subscribers totalled 101 by the end of 2014. Our e-Newsletter will continue to update subscribers on new additions to the Talking Electricity website and upcoming customer and stakeholder engagement activities.

Table 6.1 provides an overview of the e-Newsletters issued as at end March 2015:

# Powercor

## 2016-2020 Price Reset

### Our customer engagement

Table 6.1 Overview of e-Newsletters

Date issued	Newsletter	Topic
15 Sep14	Issue one	<ul style="list-style-type: none"> <li>Welcome</li> <li>Directions and Priorities Consultation Paper out next week</li> <li>What you've told us so far</li> </ul>
22 Sep14	Announcement	<ul style="list-style-type: none"> <li>Directions and Priorities Consultation Paper release</li> </ul>
2 Oct14	Issue two	<ul style="list-style-type: none"> <li>Thank you for feedback to date</li> <li>Recent tariff comments</li> <li>Comments on building a smart network</li> <li>Have your say</li> </ul>
28 Oct14	Issue three	<ul style="list-style-type: none"> <li>Last chance to have your say on Directions and Priorities</li> <li>Recent comments</li> </ul>
20 Nov14	Issue four	<ul style="list-style-type: none"> <li>We're hearing you.... Directions and Priorities submissions</li> </ul>
18 Dec14	Issue five	<ul style="list-style-type: none"> <li>We've been listening</li> <li>Strong performance</li> <li>New research - critical peak rebates and direct load control for pool pumps and air-conditioners</li> </ul>
6 Mar15	Issue six	<ul style="list-style-type: none"> <li>Submission of our regulatory proposals to the AER on 30 April 2015</li> <li>Affordability – research by Uniting Care and the St Vincent de Paul Society</li> </ul>

Source: Powercor

In addition to our online subscription facility, we have a dedicated price reset engagement email address, [talkingelectricity@powercor.com.au](mailto:talkingelectricity@powercor.com.au), which our customers and stakeholders have used to engage with us throughout the engagement program.

### 6.3 Consultation Phase

Our consultation phase was designed to progress and integrate customer expectations and concerns into our planning for the 2016-2020 regulatory control period. Key elements of the consultation phase included our regional engagement forums and our 'Directions and Priorities' consultation.

This phase culminates in the submission of our Regulatory Proposal to the AER on 30 April 2015.

Our consultation phase engagement activities can be assessed against the IAP2 framework as meeting the inform, consult and involve objectives.

Figure 6.20 IAP2 rating of the research phase engagement activities

Inform	Consult	Involve	Collaborate	Empower
--------	---------	---------	-------------	---------

Source: Powercor

## **Powercor**

### **2016-2020 Price Reset**

#### **Our customer engagement**

##### **6.3.1 Regional engagement forums**

Over 80 of our customers and stakeholders provided valuable feedback by 'having their say' on electricity supply reliability, services and investment priorities, now and into the future at five regional engagement forums held in Caroline Springs, Geelong, Mildura, Warrnambool and Bendigo throughout May and June 2014.

In addition, the forum held at the Melbourne Convention and Exhibition Centre on 27 May 2014 catered for both CitiPower and Powercor customers which was attended by over 46 customer and stakeholders.

The purpose of the regional engagements forums, which were open to all our customers and stakeholders, was to raise awareness of us, our role, our services and the price reset process as well as highlighting future investment plans for our distribution area for discussion and to provide the opportunity for our customers and stakeholders to raise their topics of interest.

The forums were held in an informal environment which enabled our Chief Executive Officer (CEO), senior managers and employees to meet with customers and stakeholders, explain our services and future plans and answer their questions.

Information was presented, via boards placed on easels around the forum venues, under the following six topic groupings:

- Topic 1 – Electricity Overview
- Topic 2 – Who We Are and What We Do
- Topic 3 – Bushfire Mitigation and Safety
- Topic 4 – Growing with Victoria
- Topic 5 – Networks for the Future
- Topic 6 – Tell Us What You Think

The information boards are available on our Talking Electricity website via the following link:

<http://talkingelectricity.com.au/engagement-approach/>.



# Powercor 2016-2020 Price Reset Our customer engagement

Figure 6.21 Example of a content board

**GROWING WITH VICTORIA – PROJECTS IN YOUR REGION**  
**MAJOR LOCAL PROJECTS – MAINTAINING RELIABLE SUPPLY FOR THE FUTURE**

Electricity demand in the Warrnambool region is forecast to climb by six per cent or 11 MW over the next five years. This growth is being driven largely by population increases, leading to further residential development, and the expansion of key local industries such as dairy and agriculture.

To cater for this expected rise in demand and to ensure reliability of supply is maintained in Warrnambool and surrounding areas in the period to 2020, Powercor plans to spend more than \$20 million on major capital upgrades in the region.

The infrastructure program includes:

- Upgrade of a 66kV sub-transmission line between **Terang Terminal Station and Hamilton zone substation**
- Replacement of ageing zone substation transformers at **Warrnambool and Terang zone substations**
- Upgrade of a number of 22kV high-voltage feeders in the **Port Fairy, Cobden and Portland areas**

**CITY OF WARRNAMBOOL** **Powercor**

Source: Powercor

## Promotion of the forums

The regional engagement forums were promoted via advertisements in regional newspapers and the Herald Sun, supported by radio news interviews as well as via personal invitations sent to stakeholders by members of our Corporate Affairs team and Regional Business Managers.



# Powercor 2016-2020 Price Reset Our customer engagement

Figure 6.22 Example of a regional engagement forum advertisement



## Have your say at Powercor's Mildura electricity forum

Local electricity distributor Powercor will hold a community information forum on Wednesday 4 June in Mildura.

Business and residential customers, together with our stakeholders, are invited to attend and learn more about Powercor's work to maintain electricity supply reliability in the Mildura region.

CEO Tim Rourke will discuss future directions and priorities and how Powercor is investing to deliver world class services.

You can also find out about major infrastructure projects in your community, safety and bushfire management, solar connections and how to register for customer service notifications.

You are encouraged to have your say on how Powercor is planning to meet your electricity needs over the coming years.

**WHERE:** Quest Mildura  
115-119 Madden Avenue  
Mildura

**WHEN:** Wednesday 4 June 2014  
5.30pm – 7.30pm

Light refreshments will be provided.

Find out more and pre-register your attendance at our Talking Electricity website [www.talkingelectricity.com.au](http://www.talkingelectricity.com.au)

You can also complete the *Have Your Say* online survey at Talking Electricity.

Get power outage information on your mobile at [m.powercor.com.au](http://m.powercor.com.au) or download our outages app.



2014201409

Source: Powercor

Table 6.2 provides a summary of the newspapers in which the advertisement was placed and the newspaper circulation numbers.

## Powercor 2016-2020 Price Reset Our customer engagement

Table 6.2 Regional engagement forums promotion – summary of newspaper advertising audience

Paper	Date	Circulation
Bendigo Weekly	13 June 2014	37,500
Maryborough District Advertiser	13 May 2014	3,363
Bendigo Advertiser	14 Jun 2014	12,393
Castlemaine Mail	13 Jun 2014	3,250
Geelong Advertiser	13 May 2014	20,391
Torquay Surf Coast Times	15 May 2014	35,696
Colac Herald	14 May 2014	4,851
Mildura Sunraysia Daily	24 May 2014	6,908
Mildura Weekly	23 May 2014	26,000
Swan Hill Guardian	28 May 2014	3,974
Hamilton Spectator	7 Jun 2014	5,121
Portland Observer	6 Jun 2014	3,369
Warrnambool Standard	4 Jun 2014	11,623
Moyne Gazette	5 Jun 2014	1,067
Melton Leader	6 May 2014	31,457
Wyndham/Point Cook Weekly	13 May 2014	50,000
Melton / Moorabool Star Weekly	13 May 2014	50,000
Wyndham Leader	6 May 2014	43,021
Herald Sun	13 May 2014	382,217
<b>Total</b>	-	<b>732,201</b>

Source: Powercor

### Attendees

Attendees at the forums included residential customers, with and without solar PV, SME and large business customers, government and industry representatives and consumer advocates.

# Powercor 2016-2020 Price Reset Our customer engagement

Figure 6.23 Photos from the regional engagement forums

## Engaging with a customer



CEO Tim Rourke addressing the forum attendees at Caroline Springs



Source: Powercor

## Feedback

The in depth discussions held at the forums with the broad range of attendees has provided us a better insight into what our customers value and how we can better meet their expectations. A range of issues were of interest to attendees including reliability of supply for local businesses, fast fault response, improvements to communications and timeliness around customer connections, local presence and investment by us and support for growing regions.

## **Powercor**

### **2016-2020 Price Reset**

### **Our customer engagement**

The forums also provided the opportunity to establish new relationship and to enhance existing relationships with stakeholders from across our distribution area.

#### **6.3.2 Directions and Priorities Consultation**

The 2016-2020 regulatory control period will see the most significant and transformative change in the electricity distribution sector since the establishment of the NEM in the mid-1990s.

In this environment, a focus on changes in the key elements of our operating environment is essential if we are to identify the appropriate objectives, strategies and work programs that will enable sustainable performance by us, in the long term interest of our customers and stakeholders.

The insights collected through our engagement program, along with our knowledge of the network, future trends and regulatory obligations, are shaping our directions and priorities.

To ensure transparency and accessibility to our current strategic objectives and expenditure plans for the upcoming 2016-2020 regulatory control period, we developed a joint CitiPower and Powercor Directions and Priorities Consultation Paper which was released publically on 22 September 2014.

For the 2016-2020 regulatory control period, our investments will be focused on five key areas:

1. protecting our customers and our network – running a safe operation;
2. maintaining cost-effective reliability – keeping the power on through appropriate maintenance, operations and policies;
3. growing with Victoria – providing augmentation of the network where required;
4. networks for the future – being a facilitator of new technologies; and
5. making it easy for our customers – listening to our customers’ needs and responding in a timely manner.

Our customers and stakeholders were invited to provide feedback, via a submission, to let us know if we had struck the right balance between safety, reliability, growth and affordability during a six week consultation period which ended on 31 October 2014.

The consultation opportunity was widely promoted, as described in table 6.3, with submissions being able to be made:

- online at: [www.talkingelectricity.com.au](http://www.talkingelectricity.com.au) via an online submission form which allowed our customers to respond to particular areas of interest or everything in the consultation paper;
- by email: [talkingelectricity@powercor.com.au](mailto:talkingelectricity@powercor.com.au); and
- in writing, via post.

The launch of our Directions and Priorities consultation paper was promoted in a number of ways including its publication on the Talking Electricity, regional and suburban newspapers advertisements, an ABC regional radio interview, media articles, corporate publications including the Talking Electricity e-newsletter and Electric News, Tech Talk, social media posts on Facebook and Twitter, hard copies mailed to key stakeholders, letters, emails and calls to stakeholders.

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

Table 6.3 Directions and Priorities Consultation Paper promotion

Stakeholder	How we reached out
Residential customers	<ul style="list-style-type: none"> <li>• Talking Electricity website updates;</li> <li>• corporate website updates;</li> <li>• Talking Electricity subscriber emails and newsletters;</li> <li>• social media posts throughout the six week consultation period averaging three posts a week;</li> <li>• email sent to all those who registered for previous regional engagement forums, survey and focus group participants;</li> <li>• advertisements in suburban and regional newspapers; and</li> <li>• media items including a syndicated regional ABC interview.</li> </ul>
Business customers	<ul style="list-style-type: none"> <li>• email sent to all those who registered for previous regional engagement forums, survey and focus group participants;</li> <li>• registered electrical contractors newsletter;</li> <li>• regional Business Managers direct contact and email – over 150 stakeholders engaged;</li> <li>• Powercor business awards; and</li> <li>• our involvement in business or local government events and forums.</li> </ul>
Customer advocacy groups including Consumer Utilities Advocacy Centre, and Kildonan Uniting Care	<ul style="list-style-type: none"> <li>• briefings, emails, meetings and ongoing dialogue.</li> </ul>
Customer Consultative Committee	<ul style="list-style-type: none"> <li>• information and discussion at meetings, copies of report and ongoing dialogue.</li> </ul>
Victorian Government including the Department of State Development, Business and Innovation and Regional Development Victoria	<ul style="list-style-type: none"> <li>• briefings to accompany copies of the consultation paper; and</li> <li>• follow up from regional forums.</li> </ul>
Local government	<ul style="list-style-type: none"> <li>• letters, emails and conversations with Regional Business Managers.</li> </ul>
Regulators: Australian Energy Regulator, Energy Safe Victoria	<ul style="list-style-type: none"> <li>• copies of consultation paper and conversations.</li> </ul>

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

Stakeholder	How we reached out
Industry Groups including Australian Industry Group, Victorian Farmers Federation, Energy Users Association	<ul style="list-style-type: none"> <li>• copies of consultation paper and conversations.</li> </ul>
Energy industry – Energy Retailers Association of Australia, Energy Networks Australia, Energy Supply Association of Australia	<ul style="list-style-type: none"> <li>• copies of consultation report by mail or email and invitation to make a submission; and</li> <li>• industry media.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• internal communication channels including a message from the CEO, intranet, newsletters and briefings.</li> </ul>

Source: Powercor

**Newspaper advertisements**

The Directions and Priorities consultation was advertised in regional newspapers in our service area reaching a potential audience of over 488,000 people. The advertisement is shown in figure 6.24.



# Powercor 2016-2020 Price Reset Our customer engagement

Figure 6.24 Directions and Priorities consultation advertisement

**TELL US  
WHAT  
YOU THINK.**

At Powercor we are currently mapping out our future network plans and we want to hear from you whether we've got the right balance right between safety, reliability, growth and affordability.

During the past 18 months we've been talking to many customers and stakeholders through surveys, interviews, focus groups and regional forums, seeking feedback which will help shape and inform our priorities and meet customers' expectations.

Our Directions and Priorities Consultation Paper brings together that feedback with an outline of our future plans. Now we want to see if our key directions and priorities are striking the right balance and we're urging our customers and stakeholders to respond with a submission.

Our plans cover five main areas: protecting our customers and our network, maintaining reliability, growing with Victoria, networks for the future and making it easy for our customers.

The consultation paper outlines our plans and includes questions which can be used as prompts for feedback.

Those who respond can choose which topics they want to comment on and provide any additional information or attachments.

What our customers and stakeholders tell us will help further define our proposal for the 2016-2020 regulatory control period to be lodged with the Australian Energy Regulator (AER) in April next year. The AER assesses our regulatory proposal and makes a decision on the revenues or prices that Powercor can earn or charge during the five year period.

There are several ways you can lodge a submission

ONLINE FORM    EMAIL    POST

For more information:  
VISIT [talkingelectricity.com.au](http://talkingelectricity.com.au)  
EMAIL [talkingelectricity@powercor.com.au](mailto:talkingelectricity@powercor.com.au)  
CALL 03 9683 2057

Source: Powercor, October 2014

Table 6.4 provides a summary of the newspapers in which the advertisement was placed, together with the newspaper circulation statistics.

Table 6.4 Directions and Priorities consultation process promotion – summary of newspaper advertising audience

Paper	Date	Circulation
Ballarat Courier	11 October 2014	16,819
Daylesford Hepburn Shire Advocate	8 October 2014	6,768
Ararat Advertiser/Stawell Times	10 October 2014	2,323
Horsham Wimmera Mail Times	10 October 2014	8,897

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

Paper	Date	Circulation
Warracknabeal Herald	10 October 2014	1,955
Bendigo Weekly	10 October 2014	37,500
Maryborough District Advertiser	10 October 2014	3,363
Bendigo Advertiser	11 October 2014	12,393
Shepparton Adviser	8 October 2014	34,173
Echuca Riverine Herald	10 October 2014	5,297
Castlemaine Mail	10 October 2014	3,250
Shepparton News	11 October 2014	8,817
Cobram Courier	8 October 2014	2,701
Rochester Campaspe Valley	7 October 2014	1,555
Kerang Northern Times	8 October 2014	1,932
Yarrawonga Chronicle	8 October 2014	3,800
Geelong Advertiser	11 October 2014	20,391
Geelong Independent	10 October 2014	82,865
Torquay Surf Coast Times	7 October 2014	35,696
Geelong Echo	9 October 2014	31,532
Colac Herald	10 October 2014	4,851
Mildura Sunraysia Daily	11 October 2014	6,908
Mildura Weekly	7 October 2014	26,000
Ouyen North West Express	9 October 2014	858
Swan Hill Guardian	10 October 2014	3,974
Hamilton Spectator	11 October 2014	5,121
Portland Observer	10 October 2014	3,369
Warrnambool Standard	11 October 2014	11,623



**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

Paper	Date	Circulation
Melton Leader	7 October 2014	31,457
Wyndham Star Weekly	8 October 2014	50,000
Kyneton Midland Express	7 October 2014	21,925
<b>Total</b>	-	<b>488,113</b>

Source: Powercor

**Social media activity during the six week consultation period**

There were a minimum of two posts a week during the six week consultation with at least one submission resulting from online engagement.

Social media engagement is broad but not deep and the consultation enabled us to expand our networks and create dialogue around the issues that interest our customers.

The most popular social media channels were Twitter and Facebook. Social media content and call to actions generated a relatively high amount of conversations on Twitter. In respect to Facebook, reach and engagement performed well however it did not generate conversations. Each Facebook post had an average reach of 195 people.

Analytics show that social media was successful in directing people to the Talking Electricity with activity on the website increasing during the consultation period.

Figure 6.25 Examples of social media posts



## Powercor 2016-2020 Price Reset Our customer engagement



Source: Powercor

### Submissions

We received 23 Powercor submissions on the Directions and Priorities Consultation paper.

Individual submissions included strong views on the introduction of new tariff types, greater access and ability to use smart meter data for the benefit of customers, the role of our Business in enabling the connection of renewable energy sources, a continued commitment to bushfire mitigation strategies, and support for modernising our networks.

Organisations who lodged submissions included EWOV, the Wimmera Development Association, Glenelg Shire Council, City of Melton, City of Melbourne, United Dairy Farmers of Victoria, Australian Industry Group, Enterprise Geelong and the Mildura Development Association.

Many of these organisations supported targeted investment to support growth in their regions, as well as outlining the impact of different tariff types on their constituents, encouraging the enablement of smart meter technology, fostering the connection of renewable energy sources and supporting energy efficiency measures. Vegetation management and the way we maintain our assets were also themes.

All feedback received from our submissions has been considered in developing our regulatory proposal and this feedback is reflected throughout our regulatory proposal.

The submissions have reinforced previous feedback and some provided additional support for our proposed investment plans.

### Detailed feedback and submissions

Refer to Appendix AC for extracts from the Directions and Priorities consultation paper submissions.

Submissions are published on the Talking Electricity website: <http://talkingelectricity.com.au/your-views/>.

Not all submissions have been published as we only published submissions if we had express permission from those making the submission.

## **Powercor**

### **2016-2020 Price Reset**

### **Our customer engagement**

#### **6.3.3 Kildonan Uniting Care facilitated focus group**

We went beyond our traditional methods of engagement with stakeholders who we already have strong relationships with and asked Kildonan Uniting Care to facilitate a focus group to reach customers we may not otherwise communicate with in the normal course of our business.

Gathering feedback from customers on low incomes, migrants who do not speak English as a first language can be challenging and Kildonan provided valuable advice on communicating and presenting information in an accessible format which will be incorporated into our ongoing engagement.

In November 2014, ten participants from the Shepparton region included Kildonan employees who assist migrants or other vulnerable customers. Students and people from migrant backgrounds also attended.

#### **Approach**

A key component of the focus group was to inform and educate our customers about our role and what part of the electricity bill we represent. In addition, we provided our customers with an understanding of how they could obtain better information about their electricity usage to enable them to lower electricity costs.

#### **Feedback highlights**

##### Reliability

Participants felt their electricity supply was reliable and they did not have many comments on our approach to maintaining the network.

##### Smart meters

One participant raised the need for smart metering and objected to customers paying for them. As a mother with teenage children, she felt she could not see any additional value from the new meter and felt it was the owner of the infrastructure's role to pay for its installation. She was concerned customers were charged for the meters but not passing through the resulting cost savings to customers via reduced charges.

Participants strongly supported better use of this technology they were paying for anyway. They liked the idea of reduced costs as a result of better management of the network and wanted to understand how to use their electricity usage data to find better retail offers.

One participant urged us to make it a lot easier for customers to use their smart meter data and understand which retailer was best. 'I don't have the brain space to deal with it. It's so impenetrable,' she said.

##### Renewables

Participants supported more enablement of solar photovoltaic (**PV**) technology and other renewable technologies.

##### Tariffs

Participants would like a better understanding of tariff types and their impacts. These participants will be invited to take part in an upcoming consultation on our tariffs during 2015.

## **Powercor**

### **2016-2020 Price Reset**

### **Our customer engagement**

#### **6.4 Other engagement activities**

In addition to our specific research and consultation phase engagement activities, we have undertaken the following engagement activities as part of the development of our regulatory proposal for the 2016-2020 regulatory control period:

- bilateral consultation; and
- asset tours.

##### **6.4.1 Bilateral engagement**

At various times during our engagement program, we engaged directly with our customers, representative stakeholders and consumer advocates on a bilateral basis to create the opportunity to address their specific issues or concerns and to keep key stakeholders informed of our plans.

The majority of these meetings leveraged off existing relationships and business as usual activities. Our Regional Business Managers have regular forums for engaging with business customers and community based organisations including local business associations, municipalities, community organisations and emergency services.

##### **Regional Business Managers**

We run a business relationship management program for a large number of major customers and strategically significant organisations. Across our service area, we have around 3,100 business customers, many of whom make a significant economic contribution to Victoria.

Our largest electricity customers have a Regional Business Manager who is ultimately responsible for the level of satisfaction with their relationship with the organisation. These Regional Business Managers have established long-term relationships in their communities and were instrumental in the success of many of our price reset stakeholder engagement activities, particularly regarding attendance at the regional engagement forums and stakeholder engagement during the Directions and Priorities consultation.

Regional Business Managers have a number of role objectives including:

- establishing, building and maintaining strong working relationships with major customers and key organisations;
- ensuring major customers are satisfied with the service we deliver – this is measured through customer satisfaction surveys;
- drive strategic and commercial network investment by collaborating with customers on their projects;
- addressing issues raised by major customers – measured through direct feedback and surveys; and
- influence network development and operation to outperform customer and community expectations, again measured through surveys and feedback.

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

Our customer consultative committee (**CCC**) was established in 2000 and, during the development of our regulatory proposal, the members included a customer advocacy group representative, Australian industry, local Government and rural stakeholders.

## **Powercor**

### **2016-2020 Price Reset**

#### **Our customer engagement**

At each meeting since December 2012, an update has been provided on the status of the regulatory determination process and the engagement activities, both in terms of the process being undertaken and the findings.

Feedback from the CCC members was factored into our engagement activities, in particular, in relation to vulnerable customers.

Our CCC members were provided with a draft of our Directions and Priorities Consultation Paper prior to its release in September 2014 and were provided the opportunity to provide feedback on the paper.

#### **Energy and Water Ombudsman (Victoria)**

In their submission to the AER in relation to the draft Consumer Engagement Guideline for Network Service Providers, dated 14 August 2013, EWOV stated:

*EWOV would be happy to discuss potential and emerging trends based on our case data with network providers and the AER to assist them in better understanding consumer sentiment of the energy sector.*

The Victorian DNSPs took up EWOV's offer and a briefing was held on Friday 31 January 2014 at the EWOV offices. The learnings from this briefing were incorporated into our engagement approach.

#### **Energy Safe Victoria (ESV)**

Various price reset specific meetings were held with ESV during 2014 and 2015, in addition to business as usual meetings.

#### **Consumer advocates**

Meetings have been held with Consumer Utilities Advocacy Centre (CUAC) representatives as part of the price reset stakeholder engagement activities. Further meetings will occur as part of the 2015 tariff structure statement-related engagement activities.

#### **6.4.2 Asset tours**

As part of the price reset engagement activities, asset tours were offered to a number of stakeholders to assist with informing them about the role of our business, how electricity distribution systems operate, explain the role of the various assets 'in situ' and to highlight the opportunities and challenges both now and in the future.

As part of their normal course of business, Regional Business Managers also conduct asset tours for customers and key local organisations visiting assets such as zone substations or the control room.

#### **6.4.3 Field days**

We take the opportunity to reinforce safety messages at field days and other regional events. Pictured in figure 6.26, Elmore Field Day employees urge farmers and truck drivers to 'look up and live' when operating near high voltage power lines.

# Powercor 2016-2020 Price Reset Our customer engagement

Figure 6.26 Powercor field day stand



Source: Powercor

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

**7 What our customers and stakeholders have told us**

**7.1 Customer expectations**

Through our engagement program, our customers and stakeholders told us what they want from us during the next year regulatory control period. This feedback has informed our plans and, as a result, we are confident that our Regulatory Proposal delivers on the expectations of our customers.

Customer expectations have been summarised into six key insights.

- customers want reliable supply for a reasonable price;
- they want efficient and targeted investment across our networks;
- customers want us to pay close attention to safety and maintenance and they support additional investment in activities that reduce risk of fire danger;
- they expect forward and proactive planning to ensure the resilience, capacity and capability of the network;
- future needs are best met by a smart grid to enable choice and flexibility, taking pressure off the existing network and facilitating the connection of renewable energy sources; and
- customers want greater access to readily understandable information about their electricity usage.

**7.2 How we are responding**

The integration of customer expectations and concerns into our planning is an important part of developing our Regulatory Proposal. Table 7.1 illustrates how the engagement outcomes have been factored into our Regulatory Proposal.

Table 7.1 Our response to your feedback

What you said	What we will do
<p>You want a safe, reliable electricity supply at a reasonable price. Most people (83 per cent of survey participants) are satisfied with the current reliability of their electricity supply and do not want to pay any more to improve it. Some regional customers say we could do more to improve reliability in regional and rural areas.</p> <p>Larger business customers stressed the critical importance of continuous, uninterrupted, reliable supply of electricity to their organisation, with the implications of any interruption in supply of electricity representing a major cost to business.</p>	<p>We will take a cost efficient approach to all our investment decisions so we deliver the best long term outcomes – this is about balancing cost savings with the need to maintain a safe, reliable electricity supply. Through the ongoing assessment of the condition of our assets, we have identified a number of areas which require upgrades and we plan to replace more of our ageing infrastructure.</p>
<p>Dairy farmers want a greater level of reliability in rural areas.</p>	<p>We are planning targeted investment to replace some of our older infrastructure in regional and rural areas and will fund a continuing program to upgrade overhead lines.</p>
<p>Absolutely no risks to be taken when it comes to</p>	



**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

What you said	What we will do
<p>fire related safety and take all reasonable measures to protect the safety of customers and their communities. Survey participants were happy to accept a small price increase that contributed to reduced risk of fire danger.</p>	<p>Safety is our number one priority. We will continue to undertake all reasonable steps to ensure ongoing community safety including the ongoing maintenance of our electricity assets.</p> <p>We will continue to invest in bushfire mitigation activities and prudently and efficiently implement measures to mitigate fire risk. Under the Victorian Government’s Powerline Replacement Fund, we will underground powerlines in high risk areas.</p>
<p>A clear preference for the development of a wider safety campaign targeted at all of those that come into contact with the electricity network (as opposed to specific messages targeted at specific groups).</p>	<p>We will work with Energy Safe Victoria to promote community safety.</p>
<p>Targeted investment to support growing areas of the State.</p>	<p>We have identified areas that are growing and will invest to support residential, commercial and industrial growth in these regions.</p>
<p>Large energy users expressed a desire for stronger partnering in the form of us taking a lead role in infrastructure investment, and in one case, investing in infrastructure to attract more business to the Mildura region.</p>	<p>We are committed to partnering with local government and businesses to identify areas of growth and ensure appropriate targeted investment occurs. Under the current regulatory framework, we cannot build infrastructure without clear drivers for growth.</p>
<p>Undergrounding was seen as a necessity (but dependent on a cost-benefit analysis); with general consensus that new developments and fire prone areas should include undergrounding and that outdated poles/wires should be replaced with an underground equivalent. Infrastructure for new suburbs to be forward thinking and well considered, and to include undergrounding.</p>	<p>Developers of new subdivisions are generally required to underground electricity cables. Undergrounding existing power lines is expensive and would impact on customers’ bills.</p> <p>Some undergrounding can take place if customers directly benefiting from the work are prepared to pay or work with their local council to secure funding. We will continue to work with local authorities and customers who commission projects to put lines underground.</p>
<p>Most are happy with our current vegetation management practices but some would like less pruning of older trees in town centres. There was minimal interest in trees being trimmed lightly and regularly (57 per cent of survey participants were not willing to pay a small increase in return for trimming vegetation more frequently and less severely). The preference was either to trim them heavily or remove them.</p>	<p>We will maintain our commitment to vegetation management practices that balance safety with affordability.</p> <p>We will continue to work with local government to ensure local interests are taken into consideration.</p>

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

What you said	What we will do
<p>Residential customers are generally happy with our connection processes but remotely based customers feel connection costs are excessive.</p> <p>Commercial customers expect us to be transparent and work to exact timelines.</p>	<p>We will automate our standard connections processes to make it easier, faster and cheaper for customers.</p> <p>We will continuously explore ways to improve timeliness and quality of service to connect large customers. We will effectively communicate the time needed to develop the right solutions for complex connections.</p>
<p>Enable the connection of more renewable energy generation, particularly in solar and wind technology – this is a key regional priority.</p> <p>Some customers have not been able to connect larger solar PV systems because of network limitations.</p> <p>Regional development associations see the connection of wind and solar energy as a priority for their areas and want us to be proactive in enabling these connections.</p>	<p>We are enabling the connection of several large wind farms in western Victoria during the upcoming five year regulatory control period.</p> <p>In addition, we are investing in technology to better control voltage levels so we can connect more rooftop solar panels.</p>
<p>Install more energy-efficient street lighting.</p>	<p>We are working with local councils to introduce new types of energy-efficient street lights and will continue to be directly involved in the ‘Lighting the Regions’ project involving multiple councils across Victoria.</p>
<p>Greater access to smart meter data, via an online portal, would give you greater ability to manage electricity use and power bills.</p> <p>You wanted easy-to-access, easy to understand information.</p>	<p>We are planning to invest in a customer relationship management system and online customer portal so customers can access their electricity usage data and manage their electricity bills.</p>
<p>A smart grid is a necessary initiative worthy of investment. It was generally felt that future needs would be best met with a smart grid to enable choices and flexibility, and take pressure off the existing network and traditional sources of power.</p> <p>We need to be forward thinking rather than just upgrade infrastructure.</p>	<p>We will invest in the development of a smarter network by using advanced technologies that create efficiencies and improve reliability and safety.</p> <p>We will investigate demand-side solutions to meet localised energy requirements during peak periods, and the application of new technologies such as batteries, cold storage and off-grid solutions.</p>
<p>Speed of responsiveness is expected when issues occur, particularly issues relating to motor vehicle accidents and wind/weather related outages.</p>	<p>Our call centre and website provide channels for our customers to contact us. In addition, we currently provide outage information through our website and apps, and SMS notifications straight to customers’ phones.</p>

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

What you said	What we will do
	We will continue to look at ways of improving our communications on an ongoing basis.
Engage with us more effectively – you welcomed the opportunity to participate but want more information about issues.	We are extending our engagement program by consulting on our future tariff structures as well as issues affecting customers' electricity supply and energy choices.
<p>You want flexibility and do not want to be disadvantaged by any changes to tariff structures. Different types of tariffs are confusing.</p> <p>There are concerns that locational tariffs may disadvantage some customers and there are conflicting views on maximum demand tariffs.</p>	<p>We are extending our engagement program by consulting on our future tariff structures for the 2016-2020 regulatory control period.</p> <p>We are currently considering a number of options, including rebates for lower energy use as well as tariffs for peak demand periods.</p>

Source: Powercor

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

## **8 Learning**

We have an ongoing commitment to continually improve the way we engage with our customers and stakeholders on what matters to them to ensure we meet the energy needs of Victorians today and well into the future.

Learnings from the price reset stakeholder engagement will help refine the business-wide stakeholder engagement approach which is being refreshed in 2015 to ensure that it remains aligned with our current and future priorities.

Some engagement learnings include:

- engagement must be preceded with awareness of us as an organisation, and how our activities impact electricity bills, to be effective;
- it was hard to gain engagement from residential customers without financial incentives. Depending on the nature of the engagement, we need to consult in a more targeted way in the future and look at new ways to keep our current customer and stakeholder subscriber base interested and engaged;
- Regional Business Managers and other senior managers have developed, and maintained, solid long term relationships with many of our large customers and key stakeholders. We need to continue to leverage these existing relationships, and continue to develop new relationships, to support future engagement activities;
- consumer advocacy groups have provided valuable advice on engaging with consumers who may not otherwise be approached or become engaged. We need to simplify our language further and make all our communications more accessible;
- the Directions and Priorities Consultation Paper used prompts for feedback and many of the submissions followed this feedback format which was also supported by an online feedback form. The feedback prompts and online form encouraged customers to make submissions however, its design could be improved to prompt more engagement or fuller responses in future consultation activities; and
- a customer relationship management tool is needed to provide a single view of customer engagement across our customers ensuring a greater level of customer service and more informed and meaningful engagement.

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

**9 Conclusion and next steps**

We are proud of our price reset stakeholder engagement program and believe that it has been ‘fit for purpose’ given the nature of our business and our customers’ level of knowledge of our role and services, as well as the regulatory determination process.

Our Talking Electricity website and electronic newsletters will contain information about the AER’s consultation process and any upcoming public forums regarding our regulatory proposal.

As previously mentioned, learnings from the Price Reset Stakeholder Engagement program will help refine the business-wide stakeholder engagement approach which is being refreshed in 2015 to ensure that it remains aligned with our current and future priorities.

In early 2015, our CCC was refreshed and membership increased to capture a broader range of views. The refresh incorporated feedback obtained during consultation activities during 2013 and 2014 as well as leveraging ‘best of breed’ approaches to consultative committees from utility peers worldwide.

It takes time to develop, maintain and enhance longer term relationships with our customers, our stakeholders and their advocates. Through our price reset engagement activities, we have strengthened existing relationships and developed new relationships that we will maintain and enhance on an ongoing basis.

We are continuing to evolve our engagement approach across all our business activities to ensure that our business focus and our strategic priorities remain firmly focused on the long term interests of our customers.

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

**10 Appendix AA: Alignment with AER Consumer Engagement Guideline**

Table AA.1 below outlines how we have aligned our price reset stakeholder engagement activities with the AER’s Consumer Engagement Guideline.

Table AA.1 Alignment of our engagement activities with the AER’s Consumer Engagement Guideline

Best practice principles	Alignment
Clear, accurate and timely communication	<ul style="list-style-type: none"> <li>• communication began early with our engagement taking place over a two year period;</li> <li>• we engaged a leading market research firm to help facilitate an online survey and focus groups with attention given to presenting information in a clear and accessible way for customers;</li> <li>• the Directions and Priorities Consultation Paper was released on 22 September 2014, allowing six weeks for customers and stakeholders to respond. It also allowed our team to consider all feedback and how we would respond prior to drafting the regulatory proposal;</li> <li>• our Talking Electricity site was established to house information that would help inform customers and stakeholders;</li> <li>• our Talking Electricity newsletter gave subscribers regular updates on the development of our proposals, information on our role and responsibilities, and items of relevance to the price reset process. For example independent reports on electricity prices and the performance of Victorian distribution businesses; and</li> <li>• our regional engagement forums featured information boards with clear information about our business and role and topical local information about key projects.</li> </ul>
Accessible and inclusive	<ul style="list-style-type: none"> <li>• our communication was tailored to different audiences using multiple channels. We spoke to our customers and stakeholders through face-to-face meetings as part of our business as usual activities, the Talking Electricity website and its associated newsletter, advertisements, articles media releases, trade publications, social media, focus groups and forums. For example we used targeted newsletters for registered electrical contractors and retailers to inform these stakeholders of engagement opportunities;</li> <li>• our Regional Business Managers contacted over 150 customers including larger electricity users, local government and business development associations during the consultation period;</li> <li>• our senior managers and employees used business as usual activities and meetings to discuss the price reset process;</li> <li>• our life support customers are called each year to ensure we are addressing their requirements. Those who wished to engage further were encouraged to make a submission on the Directions and Priorities Consultation Paper;</li> <li>• we offered and conducted asset tours to demystify how the electricity distribution system works. Regional Business Managers also conduct asset tours as part of their role;</li> <li>• our CEO, senior managers and subject matter experts have attended forums and</li> </ul>

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

Best practice principles	Alignment
	<p>asset tours and customers have been able to speak to us in an informal and direct way;</p> <ul style="list-style-type: none"> <li>• one size does not fit all. We have engaged with consumer advocacy groups and sought their advice on directly engaging customers who would not normally engage with us. A focus group facilitated by Kildonan Uniting Care was held in Shepparton to capture feedback directly from customers from disadvantaged backgrounds or community workers who assist migrants who speak English as a second language and low income earners;</li> <li>• we have a dedicated Price Reset Stakeholder Engagement Manager who facilitates engagement activities and is accessible to any customer or stakeholder who wishes to be part of the price reset process;</li> <li>• the language we used during our research and on the Talking Electricity website and in our customer facing price reset publications is in plain language to ensure the information is accessible for customers and stakeholders;</li> <li>• an open invitation was issued to regional engagement forums, giving customers and stakeholders the opportunity to have one-on-one discussions with our CEO and senior managers; and</li> <li>• our Directions and Priorities Consultation Paper was publicised and an online form designed to simplify the submission process so any customer or stakeholder could comment on as much or as little as they wished.</li> </ul>
Transparent	<ul style="list-style-type: none"> <li>• our Talking Electricity website and the Talking Electricity newsletter contained clear information about our role, electricity price and the regulatory process. We have published independent reports on our performance and on electricity prices;</li> <li>• we have published all survey results, relevant research, Directions and Priorities Consultation Paper submissions (where customers have agreed to publication of their information) on our Talking Electricity;</li> <li>• what customers have asked for is summarised along with our response in Table 7.1. 'Our response to your feedback' which is included in this document and our regulatory proposal. 'Our response to your feedback' will be promoted via Talking Electricity, 'News About Your Power Supply' advertorial and local media;</li> <li>• following the submission of our Regulatory Proposal to the AER on 30 April 2015, we will go back to all those who made submissions to the Directions and Priorities Consultation Paper and inform them of how we have responded to their feedback; and</li> <li>• we have offered and conducted briefings and asset tours and will continue to offer engagement opportunities for our customers and stakeholders who would like more information on any aspect of our regulatory proposals.</li> </ul>
Measurable	<ul style="list-style-type: none"> <li>• we will continue to use customer surveys, AER feedback, and direct feedback from customers and stakeholders to assess our performance;</li> <li>• feedback on our stakeholder engagement activities gathered during the consultation period showed most people appreciated the opportunity to engage and made positive comments in response to the Directions and Priorities Consultation Paper;</li> </ul>



## Powercor 2016-2020 Price Reset Our customer engagement

Best practice principles	Alignment
	<ul style="list-style-type: none"><li>• targets were set and exceeded for the consultation period including the number of submissions and the sentiment of media coverage, which was all positive;</li><li>• the majority of individuals and organisations who made a submission to the Directions and Priorities Consultation Paper would agree to engage with us again;</li><li>• subscriptions to the Talking Electricity website and newsletter have increased during the price reset stakeholder engagement and we will continue to reach out to our customers and stakeholders using this engagement tool; and</li><li>• engagement during the price reset stakeholder engagement to date will be benchmarked against subsequent consultations such as the tariff reform consultation during 2015.</li></ul>

Source: Powercor

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

**11 Appendix AB: Mapping of engagement activities against IAP2**

Table AB.1 below outlines how our price reset stakeholder engagement activities are aligned with IAP2 objectives.

Table AB.1 Alignment of our engagement activities with IAP2 objectives

Customer / Stakeholder	Method	Issues and topics	IAP2 Objective(s)
Residential customers	Customer mail out (October – December 2013)	Information about your power supply, how to contact us and promotion of the new Talking Electricity website	Inform
	Talking Electricity	Website includes: <ul style="list-style-type: none"> <li>• information about us, our role and performance;</li> <li>• updates on price reset engagement activities; and</li> <li>• publication of research.</li> </ul>	Inform / consult
	Talking Electricity Newsletter	Areas covered includes: <ul style="list-style-type: none"> <li>• information about us, our role and performance;</li> <li>• updates on price reset engagement activities; and</li> <li>• publication of research.</li> </ul>	Inform
	Online survey (3 December 2013 – 1 July 2014)	Topics included: <ul style="list-style-type: none"> <li>• familiarity and level of understanding;</li> <li>• customer experience and satisfaction;</li> <li>• preferred method of contact;</li> <li>• community safety and reliability;</li> <li>• asset management;</li> <li>• vegetation management;</li> <li>• visual amenity;</li> <li>• pricing; and</li> <li>• profile and demographics.</li> </ul>	Inform / consult

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

Customer / Stakeholder	Method	Issues and topics	IAP2 Objective(s)
	Residential focus groups (February – April 2014)	<p>Topics included:</p> <ul style="list-style-type: none"> <li>• top of mind association, experience and familiarity;</li> <li>• reliability vs affordability;</li> <li>• smart meters and access to information;</li> <li>• new connections;</li> <li>• visual amenity;</li> <li>• vegetation management;</li> <li>• safety and bushfire management;</li> <li>• future network; and</li> <li>• network tariffs.</li> </ul>	Inform / consult
Residential – life support customers	Annual call to discuss requirements – a business as usual activity	Customers who expressed an interest in further engagement with us were encouraged to make a submission to the Directions and Priorities Consultation Paper	Inform / consult
Customer advocacy – Customer Consultative Committee (CCC)	Meetings and ongoing contact	Updates of the price reset activities including stakeholder engagement. Feedback and advice sought on a variety of issues	Inform / consult / involve
Customer advocacy – Consumer Utilities Advocacy Centre (CUAC)	Meetings and ongoing contact	Discussion on Directions and Priorities Consultation Paper and upcoming consultation on tariffs	Inform/consult

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

Customer / Stakeholder	Method	Issues and topics	IAP2 Objective(s)
Customer advocacy – Kildonan Uniting Care	Kildonan Uniting Care facilitated a focus group on our behalf for customers from disadvantaged backgrounds or people who work with migrants in the Shepparton region	<p>Topics included:</p> <ul style="list-style-type: none"> <li>• information about us, our role and performance;</li> <li>• updates on price reset engagement activities;</li> <li>• high level of view of our future plans, as five key priorities; and</li> <li>• invitation to make a submission and comment on whether we struck the right balance between safety, reliability, growth and affordability.</li> </ul>	Inform / consult
Business - Small to medium enterprises (SMEs)	In-depth interviews	<p>Topics included:</p> <ul style="list-style-type: none"> <li>• expectations of us;</li> <li>• importance of reliable supply;</li> <li>• reliability and affordability;</li> <li>• network tariffs;</li> <li>• future plans;</li> <li>• new connections; and</li> <li>• future network.</li> </ul>	Inform / consult
Larger electricity customers	In depth interviews	<p>Topics included:</p> <ul style="list-style-type: none"> <li>• expectations of us;</li> <li>• importance of reliable supply;</li> <li>• reliability and affordability;</li> <li>• network tariffs;</li> <li>• future plans;</li> <li>• new connections; and</li> <li>• future network.</li> </ul>	Inform / consult
All customers and stakeholders	Regional engagement forums held at Caroline Springs, Geelong, Mildura, Warrnambool and Bendigo	<ul style="list-style-type: none"> <li>• Information on the electricity industry, our business, our role and services displayed on boards. Topics included: <ul style="list-style-type: none"> <li>○ Electricity Overview;</li> <li>○ Who We Are and What We Do;</li> </ul> </li> </ul>	Inform / consult

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

Customer / Stakeholder	Method	Issues and topics	IAP2 Objective(s)
	throughout May and June 2014. Advertised in the Herald Sun and in regional and suburban media	<ul style="list-style-type: none"> <li>○ Bushfire Mitigation and Safety;</li> <li>○ Growing with Victoria;</li> <li>○ Networks for the Future; and</li> <li>○ Tell Us What You Think.</li> <li>● CEO Tim Rourke and senior managers on hand to speak to customers and stakeholders on an one to one basis on any topics they wished to raise</li> </ul>	
	Directions and Priorities Consultation Paper advertised in suburban and regional media in western Melbourne and central and western Victoria (September/October 2014)	<ul style="list-style-type: none"> <li>● Information about us, our role and performance;</li> <li>● Updates on price reset engagement activities;</li> <li>● High level of view of our future plans, as five key priorities; and</li> <li>● Invitation to make a submission and comment on whether struck the right balance between safety, reliability, growth and affordability.</li> </ul>	Inform / consult
	Asset tours	Tours available to stakeholders on an ongoing basis and through business as usual activities	Inform
Regulators – Australian Energy Regulator (AER) and Energy Safe Victoria (ESV)	Business as usual activities to incorporate information about price reset activities	Price reset updates included as part of business as usual meetings	Inform / consult
Energy sector participants	Invitation to make a submission to Directions and Priorities Consultation Paper	<ul style="list-style-type: none"> <li>● Australian Energy Market Operator (AEMO);</li> <li>● Energy Networks Association (ENA);</li> <li>● Energy Supply Association of Australia (ESAA);</li> <li>● Energy Retailers Association of Australia (ERAA); and</li> <li>● Other distribution businesses.</li> </ul>	Inform / consult

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

Customer / Stakeholder	Method	Issues and topics	IAP2 Objective(s)
Government – State and local government	Invitation to make a submission to Directions and Priorities Consultation paper, briefings and asset tours	Providing information on our future plans through a variety of methods including meetings, emails and briefings.	Inform / consult
Local business communities and development associations	Attending business as usual meetings and offering briefings and inviting members to make submissions to the Directions and Priorities Consultation Paper. Some examples include briefing the Wimmera Development Association, Enterprise Geelong and speeches delivered at the Powercor Business Awards	Providing information on our future plans through a variety of methods including meetings, emails and briefings	Inform / consult
Specific interest groups (Australian Industry Group (AIG), Victorian Farmers Federation (VFF), United Dairy Farmers of Victoria (UDFV))	Invitation to make a submission to Directions and Priorities Consultation paper	Providing information on our future plans through a variety of methods including meetings, emails and briefings	Inform / consult

Source: Powercor

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

**12 Appendix AC: Extracts from Directions and Priorities submissions**

Table AC.1 below contains extracts from our Directions and Priorities Consultation paper submissions.

Table AC.1 Directions and Priorities Submissions

High level Topic	Detailed topic	Feedback
Current tariff structure	-	<p>Residential and small business customers' views varied from the organisational submissions which tended to be quite specific.</p> <p>Several residential respondents felt that the current tariff structure was limited, others were happy with the current structure and one customer positively commented on the flexible tariffs currently available.</p> <p>'I like that I have the option of flexible tariffs, giving me additional control over my electricity costs.'</p> <p><b><i>Powercor residential and business customer</i></b></p>
	Maximum demand tariff	<p>Customer and stakeholder views on the introduction of a maximum demand tariff were quite polarised with some customers supporting the idea of a tariff that would reflect the cost of generating and distributing power during peak periods, however others felt it would have an unfair impact on some customers who could not easily modify their energy use.</p> <p>The Australian Industry Group (AIG) supported the availability of a maximum demand pricing option for consumers and said critical peak pricing could be an appropriate option to help minimise costs associated with periods of intense demand and should be able to offer consumers savings if they know how to shape their demand. However the AIG said all pricing structures need to be voluntary in order to be workable and reduce the chance of consumers inadvertently exposing themselves to risk.</p> <p>'Maximum demand pricing structures are already available to larger electricity customers. But electricity distributors should offer greater flexibility in how they structure these charges for larger electricity customers. A user whose power usage exceeds a threshold will trigger a higher maximum demand charge for a full year.</p> <p>'The appropriate solution would be to provide greater flexibility for pricing arrangements that meet</p>



**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

High level Topic	Detailed topic	Feedback
		<p>the needs of both the customer and distributor. For instance, a business could pay a maximum demand charge for a guaranteed level of service, with the option to go above that demand upon request or notification; the distributor could refuse depending on actual or expected congestion conditions on the network and exact an additional demand charge or volumetric payment for the period of higher demand without increasing the charge for ordinary service.’ <b>Australian Industry Group</b></p> <p>‘The introduction of a maximum demand tariff would encourage conservation during peak demand periods, avoiding disruption to supply, providing financial benefits to customers and encouraging changed behaviour to reduce consumption.’ <b>Wimmera Development Association</b></p> <p>‘Maximum demand tariffs would have an adverse effect on local Government. As a local Government Council, there is very little opportunity to undertake services outside of standard business hours. Any increase in tariff rates during the day would have a flow on effect to all ratepayers within the Glenelg Shire.’ <b>Glenelg Shire Council</b></p> <p>‘A maximum demand tariff would adversely affect dairy farm businesses. Dairy farms are high energy users however this energy consumption is not continuous. Farmers draw on electricity at certain times, particularly in conjunction with milking times. Dairy farmers are unable to moderate their electricity use at determined times as they must milk their cows twice a day, and milk cooling and water heating must take place at specific times for health and safety requirements.’ <b>United Dairy Farmers of Victoria</b></p>
	Other tariff options	<p>There was some support for critical peak pricing, but most respondents did not support locational tariffs.</p> <p>‘I think location based pricing is a little unfair though, as those few in remote locations who require more resilient and expensive infrastructure could easily be funded through the millions in major load centres such as Melbourne without having much effect on the pricing for those in the major load centre.’ <b>Powercor residential customer</b></p>
Our stakeholder engagement program	-	Most customers and stakeholders welcomed the opportunity to comment on our future plans and nearly all respondents indicated they would be interested in future engagement.

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

High level Topic	Detailed topic	Feedback
		<p>‘I think the program has been mainly effective as you’ve gained the general opinion in which way your customers want Powercor to go.’ <b>Powercor residential customer</b></p> <p>‘The improved stakeholder engagement program is welcome. More effort is required to accurately and consistently measure the cost/reliability trade-off.’ <b>CitiPower and Powercor residential customer</b></p> <p>‘Generally business and residential customers would not be aware of this process unless they were actively engaged to respond. The Directions and Priorities Consultation Paper captured the key issues.’ <b>Wimmera Development Association</b></p>
Protecting our customers and our network	Reducing the risk of bushfires	<p>Generally a positive response on the activities undertaken by us, however several customers said they were not aware of bushfire mitigation works or felt they were not adequate.</p> <p>‘I think you are definitely. I myself have seen Powercor out and about and doing work such as changing wooden cross arms to metal ones.’ <b>Powercor residential customer</b></p> <p>‘Consultation/notification of Councils, particularly with the vegetation management controls may assist in raising awareness within communities. Fire preparedness is a key community concern.’ <b>Wimmera Development Association</b></p>
Vegetation management	-	<p>There is general agreement bushfire mitigation is an important activity; however several customers including councils had views on our vegetation management activities. Although there was some acknowledgement we have to comply with regulations, customers and stakeholders questioned the level of trimming. Others felt the undergrounding powerlines was a better solution.</p> <p>‘From what I’ve seen firsthand and from what I’ve read Powercor is doing a good job at maintaining vegetation around power lines etc.’ <b>Powercor residential customer</b></p> <p>‘A waste of time and money, put it underground and be done with it.’ <b>Powercor residential customer</b></p> <p>‘Compliance cutting in many cases is detrimental to tree health and devalues landscape due to prescriptive cutting that does not consider the real impact on tree health and on landscape values.’ <b>Glenelg Shire Council</b></p>

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

High level Topic	Detailed topic	Feedback
Maintaining cost-effective reliability	-	<p>Energy and Water Ombudsman (Victoria) (EWOV) encouraged us to continue to address the issues which triggered complaints around provision or supply of electricity. Customers commonly complain about meter exchanges, unplanned outages, voltage variation, the upgrade of supply (including associated costs) and disconnections because of safety defects.</p> <p>There was a perception among some regional stakeholders that rural and regional areas did not have the same level of reliability as urban areas and were less likely to attract investment.</p> <p>‘Regional areas are faced with a disproportionately higher cost for electricity than urban areas, whilst receiving a second rate service in terms of reliability and capacity.’ <b>United Dairy Farmers of Victoria</b></p> <p>‘There is some concern about the level of investment in rural and regional areas, compared to high growth metropolitan and urban fringe areas.’ <b>Wimmera Development Association</b></p>
Modernising ageing network assets	-	<p>Customers and stakeholders encouraged us to more fully utilise smart technology to improve reliability of supply and to enable customers’ energy choices.</p> <p>‘The challenge for a distributor company is to balance the needs of all customers. Focus should not be given to growth areas at the expense of regional areas with aging infrastructure. Funds should be equally spent on all areas.’ <b>Glenelg Shire Council</b></p> <p>‘...we are very insistent that work be done to update older, unreliable infrastructure, particularly the old SWER (Single Wire Earth Return) lines, &amp; maintain all infrastructure to improve reliability of supply.’ <b>Wannon Region Dairy Branch, United Dairy Farmers of Victoria</b></p>
Growing with Victoria	-	<p>There was strong support for infrastructure investment in growth areas, particularly from councils and business development organisations. Many provided statistics and data on growing regions and projections for future development which would need a corresponding investment in electricity network capacity.</p> <p>‘The lack of capacity in the delivery network in some regional areas is restricting the potential for growth at some major Australian dairy farm and processing sites. A significant investment to upgrade the infrastructure is required to enable farm and manufacturing growth.’ <b>United Dairy</b></p>

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

High level Topic	Detailed topic	Feedback
		<p><b><i>Farmers of Victoria</i></b></p> <p>A submission from the Mildura Development Association highlighted existing large scale agricultural and horticultural activity along with proposed renewable energy projects in the Mildura region and encouraged us to consider a Scale Efficient Network Extension (SENE) to drive local investment.</p> <p>‘MDC notes that there is considerable interest in developing large scale agricultural and horticultural factories as well as solar and biomass facilities in the Mildura region with high energy use and demand. A limiting factor however is local power network capacity. For example, if a number of agricultural processors/manufacturers or solar plant companies wanted to set up all at once in the Mildura region, there would likely be difficulty in meeting capacity. <b><i>Mildura Development Association</i></b></p> <p>‘Geelong plays an important role in the Victorian economy as its largest regional city. Our proximity to the State Capital is becoming increasingly important given the development pressures on Melbourne. It is important that we continue to work with infrastructure providers to ensure our City’s current and future needs are met. Geelong is anticipating residential growth in a number of areas including:</p> <p>Urban renewal within the Central Business District</p> <ul style="list-style-type: none"><li>• Lara</li><li>• Leopold</li><li>• Lovely Banks</li><li>• Ocean Grove</li><li>• Clifton Springs</li></ul> <p>Areas to the City’s south are also anticipating strong growth such as Waurm Ponds, Wandana Heights and particularly Armstrong Creek a major new suburb currently underway and which will see 22,000 homes upon completion.’ <b><i>Enterprise Geelong</i></b></p> <p>Residential responses were less specific and customers generally support targeted investment.</p>

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

High level Topic	Detailed topic	Feedback
		<p>‘It would be nice to eliminate the Cobram and Charlton radial sub transmission lines but the assessment is fair.’ <b>Powercor residential and business customer</b></p>
Networks for the future	-	<p>Customers and stakeholders are keen to embrace new technology and renewable energy choices and see us as an enabler.</p> <p>‘Facilitation of regional investment in renewable energy generation, particularly in solar and wind technology, is a key regional priority.’ <b>Wimmera Development Association</b></p> <p>‘...new technologies continue to merge and community expectations are that agencies such as Powercor/Citipower embrace and where appropriate lead the adoption of these technologies.’ <b>City of Melton</b></p> <p>‘As noted in the background to this submission, our region has enormous potential for large scale developments in the solar, biomass and agricultural/ horticultural fields, but the power network infrastructure needs to be in place in advance to both support such developments and to encourage such investment in our region in the first place.’ <b>Mildura Development Association</b></p>
Making it easy for our customers	-	<p>Customers and stakeholders were very clear that greater access to information about power usage and outages was needed. Many submissions outlined specific information that could be gleaned from smart meter technology and urged us to present it in an accessible way for customers.</p> <p>‘With the growing complexity in tariff types only a thorough analysis of the usage pattern for a customer can provide an informed decision as to which tariff is most cost effective for the customer. If Powercor has the domestic consumer’s interest at heart not only should the usage records be made readily available for such analysis but perhaps a set of tools might also be provided to enable customers to undertake the analysis needed.’ <b>Powercor residential customer</b></p> <p>‘Demand, usage and pricing information all in realtime. And via an interactive website and/or in home displays.’ <b>Powercor residential customer</b></p> <p>‘Promotion of the data available on real time power usage (via smart meter readings) would enable consumer choice and informed decision-making about power use. There seems to be little appreciation of the accessibility or processes to utilise this data.’ <b>Wimmera Development</b></p>

**Powercor**  
**2016-2020 Price Reset**  
**Our customer engagement**

High level Topic	Detailed topic	Feedback
		<p><b>Association</b></p> <p>‘Targeted information such as outage details to those directly affected and data on power usage/timing – i.e. information that will help customers manage their bills.’ <b>City of Melton</b></p> <p>‘I would have no grizzles if Powercor decided that it was going to be an innovative, class leading distributor. Offering flexible and affordable options to its customers, always looking to the future, not just their profit margin.’ <b>Powercor residential customer</b></p>
Public lighting	-	<p>Respondents were generally positive about public lighting, and encouraged the use of energy efficient lighting. Some customers were keen to replace strong lighting with less ‘dazzling’ versions.</p> <p>‘Adoption of LED technology is excellent – should continue to be open to new technology as it becomes available. The data to be provided to Local Government on public lighting as detailed in the paper is supported.’ <b>City of Melton</b></p> <p>In some cases customers were not clear about our role in maintaining public lighting and our relationship with local municipalities who generally own these assets.</p>
Future engagement	-	<p>The majority of those who lodged submissions indicated they would be happy to engage with us in future discussions and consultations. There were several respondents who did not indicate whether they would be happy to engage again.</p>

Source: Powercor