

Final Minutes

Customer Advisory Panel – Meeting 1: Customer experience

Meeting	
Date	Wednesday 16 September 2020
Time	Meeting from 10.00am – 11.55pm
Location	Microsoft Teams
Facilitator	Adam Nason
Attendees	<p>CAP members: Gavin Dufty, Shelley Ashe, Dean Lombard, Tennant Reed, Nathan Crombie</p> <p>CCP17 members: Robyn Robinson, David Prins, Mike Swanston</p> <p>CPPALUE: Renate Vogt (General Manager Regulation), Joanne Pafumi (General Manager Corporate Affairs), Brent Cleeve (Head of Regulation), Adam Nason (Head of Customer Experience), Megan Willcox (Manager Regulatory Projects), Sonja Lekovic (Senior Regulatory Economist), Ellen Lukin (Regulatory Analyst)</p>
Apologies	N/A

Agenda items and actions			
Item	Who	Item	Actions
1	Adam Nason	<p>Welcome and safety moment</p> <p>Adam summarised the key ‘decision questions’ for the panel:</p> <p>Customer Strategy:</p> <ul style="list-style-type: none"> Do you support the approach for our Customer Strategy (in its role as an addition to our specific customer enablement proposal)? What measures on our customer experience dashboard are most relevant for measuring success in the eyes of customers? Which could form part of our commitments to customers? <p>Customer Enablement Proposal:</p> <ul style="list-style-type: none"> Have we got the balance of funding allocations right based on the priorities of customers? Should anything be altered or traded? Do you support the level of spend and proposed initiatives within our customer enablement proposal? <p>Customer Service Incentive Scheme:</p> <ul style="list-style-type: none"> Have we engaged to an appropriate level to inform the design of the CSIS? Do you support our CSIS proposal? 	No action required
2	Adam Nason	<p>Summary of our 2020–2026 Customer Strategy</p> <p>There was a summary of our 2020-2026 Customer</p>	CitiPower, Powercor and United Energy to

Strategy, the reasons behind developing the strategy, how customer research and insights from front-line staff has informed the development of the strategy, and the high level of executive support.

Key feedback

- There was a question on how our initiatives to assist and work with vulnerable customers overlaps with the work retailers do with customers
- The word ‘customer’ was highlighted as potentially being transactional, and whether a different word/words should be used to reflect the humanity element of who we supply electricity to—e.g. community, partner, connected people, as well as recognising our responsibilities is to all members of the public, not just our customers
- With the move to more digital communication, there is significant opportunity for improvement of customer experience, e.g. as including reminders in text messages
- An area that can be lifted up is the issue of land use, with increasing use of distributed assets such as batteries on poles, as well as environmental considerations such as cultural heritage and a reconciliation action plan
- The wording in the strategy should be broad enough to capture all possible technological futures, and demonstrate a link between our distributed energy resource strategy and the customer strategy
- It would be helpful to represent network specifics using load by customer, to show the differences in residential and commercial customer base
- The vast differences between the three networks were highlighted and the need to address the different customer needs for each network and learn from the differences—e.g. have different goals for each network
- It was highlighted that AusNet Services’ Customer Forum had discovered a cohort of very unhappy customers that was not obvious to AusNet previously, cautioning the same may be happening in our networks and to be aware/make sure these customers/groups are made visible and their concerns addressed
- It was noted that “empowering the first receiver of the customer issue to resolve it” was a strong and meaningful value to both the staff and customers
- It was highlighted there was need to better understand how customers see ‘value of affordable price’, whether it is something they

provide a written response to the key feedback before the final CAP meeting

value because they have it or because they seek it

- It was highlighted that ~25% of customers who are not willing to pay more for faster upgrades to the network are still a significant 'minority' that we should address and perhaps conduct a willingness to pay study (see summary of the chat)
- There is a lot of reference to 'change in culture' and 'customer centricity' in our strategy however it would be helpful to have a 'vision statement' to permeate the entire structure, up to CEO and Board level, about why our Customer Strategy matters to customers, similar to AusGrid
- There was a question around whether customers see potential for further value to be delivered by distributors, or do they only see the cost of electricity as a whole/outside of the control of the distributor
- There was a question around how we have differentiated CALD or vulnerable groups within our strategy
- Highlighted that a lot of this work was done during a pre-COVID-19 world. Cautioned that what we are looking at now is not necessarily what the perceptions will be moving forward and that it would be prudent to track the differences across as many customer groups as possible, including back casting data and planning based on back cast data to better reflect future trends
- Demand response was highlighted as an area where customer and network benefits are closely entwined and there is room for more of those discussions, and general distributed energy resources in the strategy
- Recognition there are increasingly more channels for identifying customer sentiment, including call centres but also social media and the media

Key decision questions

1. **Do you support the approach for our Customer Strategy (in its role as an addition to our specific customer enablement proposal)?**
2. **What measures on our customer experience dashboard are most relevant for measuring success in the eyes of customers? Which could form part of our commitments to customers?**

The panel was broadly supportive of our customer strategy and gave us a range of valuable insights to help us strengthen it. There was consensus customer experience should be tracked by customer groups, by network, and pre- and post-COVID-19.

3	Sonja Lekovic	<p>Summary of our Customer Enablement proposal</p> <p>There was a brief overview of the driver for developing the Customer Enablement program, including customer research and assessing internal customer pain-points.</p> <p>Key feedback</p> <ul style="list-style-type: none"> • While the cost is clear, the benefits are unclear, particularly who gets the benefit or how the economies of scale have been maximised (they are presented discretely and United Energy costs are much higher) • There should be tracking of benefits against the initiatives, including whether changes to customer sentiment have been delivered • It was recommended that a communications piece should accompany the customer enablement proposal as people may not know how to use it • It is unclear how the customer enablement proposal fits in with DER and self-exports. The proposal is very foundational and needs more detail accompanying it for customers to extract value from the start of the journey • Given the enablement program is mostly around digital tools, there should be more consideration given to whether the benefits will be passed onto all customers, and whether this will be in parallel with the paper-based communications • There is uncertainty around how relevant this will be in the future given rapid changes in energy services customers are seeking to be part of, and general speed of technology development • It was acknowledged cost benefit analysis are challenging and not always reliable, albeit necessary • In the cost benefit analysis numbers presented, most of the benefits are from time saved from a number of small initiatives. There was a question around whether it would be more worthwhile culling the programs to those initiatives that present the highest benefit • There was some support for in-depth analytics and analysis of rooftop solar performance, albeit only if it delivers benefits on its own • There was a question on whether we had spoken with the retailers on the bare bones application for presenting data, whether retailers would consider cost sharing, and that implementation should be supported by market testing • However, there was some support for a low cost network application to be available to all customers, not relying on retailers to support it 	<p>CitiPower, Powercor and United Energy to provide a written response to the key feedback before the final CAP meeting.</p> <p>CitiPower, Powercor and United Energy to provide an updated Customer Enablement proposal prior to submitting to the Australian Energy Regulator.</p>
---	---------------	--	--

- While we can demonstrate that customer sentiment is changing, there is still need for us to demonstrate that the program fits into the broader strategy of changing customer behaviour, including tariff reform and enablement of distributed energy resources, to ensure the proposal is ‘future proof’ and an opportunity for everyone to benefit
- There should be more clarity on the difference around ‘enabling’ and ‘allowing access’ or ‘promoting agency’, and why it is not part of BAU processes rather a new ‘line item’ investment
- There is a question around how does the average customer, not just a customer with distributed energy resources, unlock the value from the program. What tools and information is necessary and there is a need to explain directly how customers can use the tools to their benefit (particularly vulnerable customers)
- There was a question around cost-recovery and whether they should be smeared across all customers if the benefits are mostly to a subset of customers (i.e. perhaps reclaiming some costs through connection fees).
- Demonstrating internal savings from the program can be seen as a benefit to all customers
- It is unclear if the benefits analysis includes the benefits of people using the data on the mobile application to change their behaviour
- The cost benefit analysis uses average weekly earnings to calculate customer benefits however this is probably not a reflective benefit for vulnerable customers, and it raises the issue of whether as an industry we need a metric for valuing customer experience
- With regard to customer experience, there is difference between how long the customer is on the phone and how long it takes to get issues resolved

Key decision questions

1. **Have we got the balance of funding allocations right based on the priorities of customers? Should anything be altered or traded?**
2. **Do you support the level of spend and proposed initiatives within our customer enablement proposal?**

There was overall consensus the program can be streamlined and benefits explained better, and how the experience will change for different customer groups. There was support to see an updated version of the program that includes the

		feedback and how the program fits within the broader picture of other initiatives.	
4	Megan Willcox	<p>Summary of our Customer Service Incentive Scheme (CSIS)</p> <p>There was a summary of our proposed CSIS, the reasons behind developing the proposal, the customer research that informed the design of the incentive, and our three proposed performance parameters.</p> <p>Key feedback</p> <ul style="list-style-type: none"> • There is overall support of the CSIS and this is a natural progression and a step in the right direction • There was a question on whether our incentive will improve the accuracy of incorrect notifications, reducing the number of people getting outage notifications where there is no outage • There is likelihood that improving one area of communication will lead to higher expectations on communications around other services • There needs to be justification that the service delivery targets are 'stretch targets', parameters should be clearly defined and measurable, and there should be no inclusion of expected performance improvements from funded IT investments • There was a suggestion to report on SMS notification content quality, even though it is not a performance parameter due to difficulty in measuring it • It was highlighted that once we bring this to the market we need to look for continuous improvement—not a 'set and forget'. This is how we will help shift the business toward a more customer-centric culture • There was concern the SMS notifications performance parameter assumes everyone has SMS coverage, can read, can read small font, and can understand English. It is important to acknowledge this is not the case and there may be alternatives such as having multiple languages, large font, voice messages etc. • Further engagement can be on how much customers value our offerings, and how can we improve our communication (for example) at the margin • For planned outages, we should be talking to our sensitive customers groups on when they would most prefer an outage (i.e. date, time and whether one long outage or several short outages are more 	CitiPower, Powercor and United Energy to provide a written response to the key feedback before the final CAP meeting

		<p>suitable)</p> <p>Key decision questions</p> <ol style="list-style-type: none"> 1. Have we engaged to an appropriate level to inform the design of the CSIS? 2. Do you support our CSIS proposal? <p>The panel were supportive of our CSIS design and thought it was a natural progression and a step in the right direction. There was overall consensus engagement on the program was sufficient.</p>	
5	Adam Nason	<p>Actions and next steps</p> <p>There was a summary of key themes that the CAP agreed with:</p> <ul style="list-style-type: none"> • We should broaden how we refer to our customers/communities and be more focused on relationships than transactions • Empowerment for first respondents is really important and we will continue to work on ways to improve this area • We need to be looking at the initiatives in the landscape of all other elements of the changing energy future • We need to be flexible to the possible energy futures and not lead to stranded assets, by ensuring we continue to engage with customers to understand what they see for themselves in the future • We need to better demonstrate if our initiatives are benefits to a subset of customers or all customers. There was a suggestion a 'user pays' system should be used for programs that benefit only some customers and cost smearing across all customers should be used for programs that benefit all customers (while there was no conclusion on the best approach) • We need to ensure we capture the impacts of COVID-19 in our strategy and our plans going forward, ensuring we test our assumptions against the current changing environment. <p>There was a short discussion on how we are changing our approach to planned outages, by increasing flexibility in our processes to better suit customers during COVID-19 (including private poles and maintenance). It was suggested we should improve the messaging on this work.</p> <p>There was an update on the next sessions:</p> <ul style="list-style-type: none"> • Confirmation pre-read materials will be circulated a week in advance for the session on COVID-19 on 5 October 2020 • Due to time limitations with regard to 	<p>CitiPower, Powercor and United Energy to provide a written response to the key feedback before the final CAP meeting, in preparation for co-design of business commitments</p>

		<p>incorporating feedback into our revised proposal, it was agreed to merge two CAP meetings into one—on energy market transformation and asset replacement—on 20 or 21 October 2020</p> <ul style="list-style-type: none"> It was agreed there is a need to share updated proposals and documents with the CAP for feedback prior to the submission of the revised proposal. 	
6	Adam Nason	Meeting close at 11.55am	No action required