

ActewAGL

for you

Consumer Engagement Strategy

ActewAGL Distribution – Stage 1

Version number FINAL 27 May 2014

Table of Contents

- 1. Introduction 3
- 2. Background..... 4
- 3. Objectives..... 5
- 4. Our Strategy Roadmap..... 5
- 5. Benefits..... 6
- 6. Engagement principles 7
- 7. Our consumers 8
- 8. Engagement activities- Stage 1..... 10
 - 8.1 Consumer analysis..... 11
 - 8.2 Develop consumer engagement performance indicators..... 11
 - 8.3 New Consumer engagement pathways..... 12
 - 8.4 Consumer Reference Group (CRG)..... 12
 - 8.5 Review of consumer ‘touch-points’ – business process reviews..... 12
 - 8.6 Consumer centric culture 14
- 9. Implementation program –Stage 1 15
- 10. Resources..... 15
- 11. Reporting and evaluation 16
- 12. Conclusion..... 16

1. Introduction

ActewAGL has a long-standing commitment to the local community that they serve. ActewAGL and its predecessors have been serving the Canberra region since 1915. We strive to operate on a daily basis with the customers' interests at heart.

This Consumer Engagement Strategy outlines the path for ActewAGL Distribution (AAD), the ACT electricity and gas network provider, to further enhance existing relationships with our consumers, including customers, and the interest groups that represent them.

This Strategy is endorsed by the CEO of ActewAGL and executive management within AAD. Successful consumer and stakeholder engagement will generate highly beneficial business and community outcomes.

Building on our commitment to providing excellent customer service, this Strategy - focuses on ways to better understand our consumers and develop proactive initiatives to more effectively engage with our consumers into the future. We understand engagement is about two- way communication and providing an opportunity for us to listen more carefully to our stakeholders and work together to ensure AAD is able to respond effectively to the needs and expectations of the businesses, governments and communities to whom we provide services.

'A feature of meaningful and genuine engagement by participants includes making an honest effort to connect with a community and account for any barriers to providing input. It also requires an understanding of how to unpack complex issues in a way that resonates with diverse communities'.¹

This Strategy is comprised of two stages: Stage 1 where AAD seeks to better understand its consumers and how best to engage with them as well as building a culture of consumer centricity around what we do; Stage 2 will deepen our consumer engagement taking on board the findings from Stage 1 activities. It is not the start of the journey, as for many years AAD has engaged with the community and its consumers. However we recognise we can do better and that a two-way conversation with those that use our services will make us a stronger and more effective organisation.

Improved consumer engagement will produce efficiencies across our organisation, minimise delays, reduce the time spent on re-work in response to consumer feedback and allow us to be on the front-foot when serving our customers. As our industry evolves, engagement with our consumers will help us prepare for the future and respond to the challenges and opportunities as they arise.

¹ Consumer Utilities Advocacy Centre Ltd (CUAC); Meaningful and Genuine Engagement, Perspectives from consumer advocates; November 2013

We will know we have succeeded in truly engaging with our consumers and stakeholders when two-way communication is a part of our everyday business.

2. Background

The ActewAGL Distribution partnership is equally owned by Jemena Networks (ACT) Pty Ltd (a subsidiary of SPSPG (Australia) Assets Pty Ltd) and ACTEW Distribution Ltd (A subsidiary of ACTEW Corporation Ltd).

AAD owns and operates the electricity network in the ACT and the gas network in the ACT, Queanbeyan and Shoalhaven regions.

This Consumer Engagement Strategy is being developed specifically for AAD.

AAD has a strong commitment to communication with its consumers, stakeholders and the broader community.

Engagement is already an active part of the work undertaken by the organisation. This is demonstrated through communications and stakeholder feedback associated with campaigns such as public safety, vegetation management, building near assets and access to assets. It is also a feature of asset management and capital works projects.

While the development of this Strategy represents our pathway forward, there will be opportunities during its implementation to test new and improved engagement programs with respect to existing or soon to commence projects, such as upcoming community and business engagement associated with new policy changes to consumer connection charges and future tariff proposals.

Consumer engagement is an emerging priority in the energy sector through changes to the National Electricity Rules announced by the Australian Energy Market Commission in November 2012. These changes have been further enhanced by the Australian Energy Regulator (AER) through the creation of a range of consumer engagement guidelines and supporting documents.² This Strategy draws on these guidelines and builds on the existing work of the organisation, whilst taking account of the ring-fencing requirements relating to ActewAGL Retail.

² Australian Energy Regulator www.aer.gov.au/node/18894

3. Objectives

The objectives of this Strategy are:

- To foster a strong alignment between consumer interests and AAD's products and service offerings;
- To embed best practice consumer engagement in AAD so that it becomes part of the way AAD does business; and
- To ensure AAD meets its regulatory requirements relating to consumer engagement.

Through implementation of this Strategy AAD will achieve a greater understanding of the views, expectation and preferences of our consumers. Specifically:

- consumers will recognise they will have opportunities to ask questions and provide feedback and that they will be listened to;
- AAD's consumers will be better informed and more empowered to participate in conversations about our policies, products and services and service performance;
- AAD's products and services will be relevant and valued by our consumers.

This Strategy also provides a basis for expanding the focus on our engagement program beyond our consumers, to other key stakeholder areas including partners, the regulators, our shareholders and those with a particularly special interest such as emergency services or regional local councils. It establishes a framework for the delivery of Stage 1 and AAD's longer term consumer engagement plans.

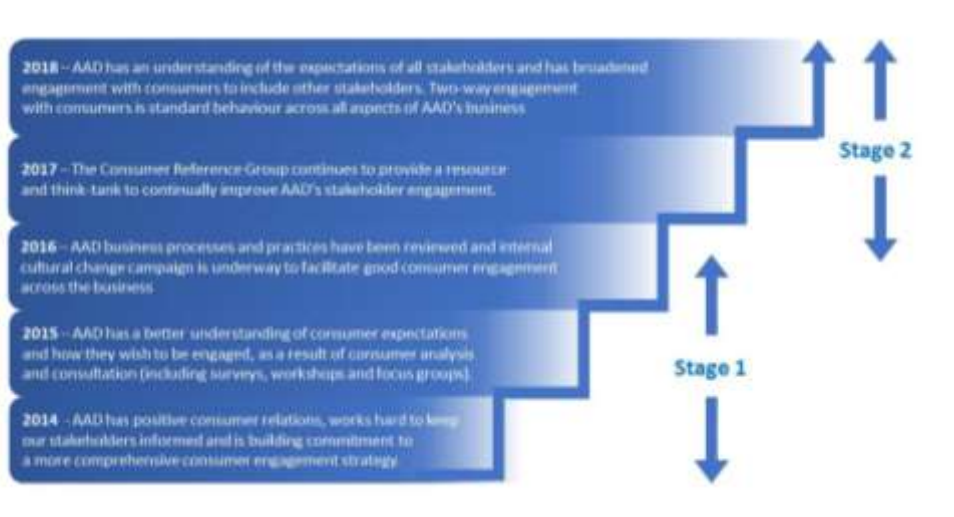
4. Our Strategy Roadmap

Stage 1 of this Strategy is focussed on increasing AAD's maturity and effectiveness in consumer engagement: by:

- investing in better understanding our consumers, what their needs, perceptions and expectations are and how they would best like to be communicated with and engaged in our work;
- building recognition within AAD of the importance of our engagement with consumers; and
- reconsidering our business practices to encourage engagement across our work.

Success will be the creation of a culture of engagement to reflect our corporate commitment in a similar fashion to our culture of safety or continuous improvement.

Diagram 1: Consumer Engagement Strategy Roadmap



Stage 2 will deepen our engagement activities, building on the learnings from Stage 1.

5. Benefits

Working towards the above objectives and creating a culture of engagement provides benefits to both ActewAGL and our consumers.

For ActewAGL stronger engagement with our consumers will:

- Deliver more informed decision-making to better balance the need for our operations to be technically feasible and financially viable while also being acceptable to the community and the local environment;
- Ensure the delivery of services is matched to the needs and expectations of our customers;
- Result in efficiencies in service delivery by reducing delays and re-work through better, earlier, liaison with those directly impacted by works and a greater understanding of their needs and expectations; and
- Capture early and direct input from our consumers to better inform our long-term planning and associated reporting to the regulator and other authorities.

For our consumers better engagement will:

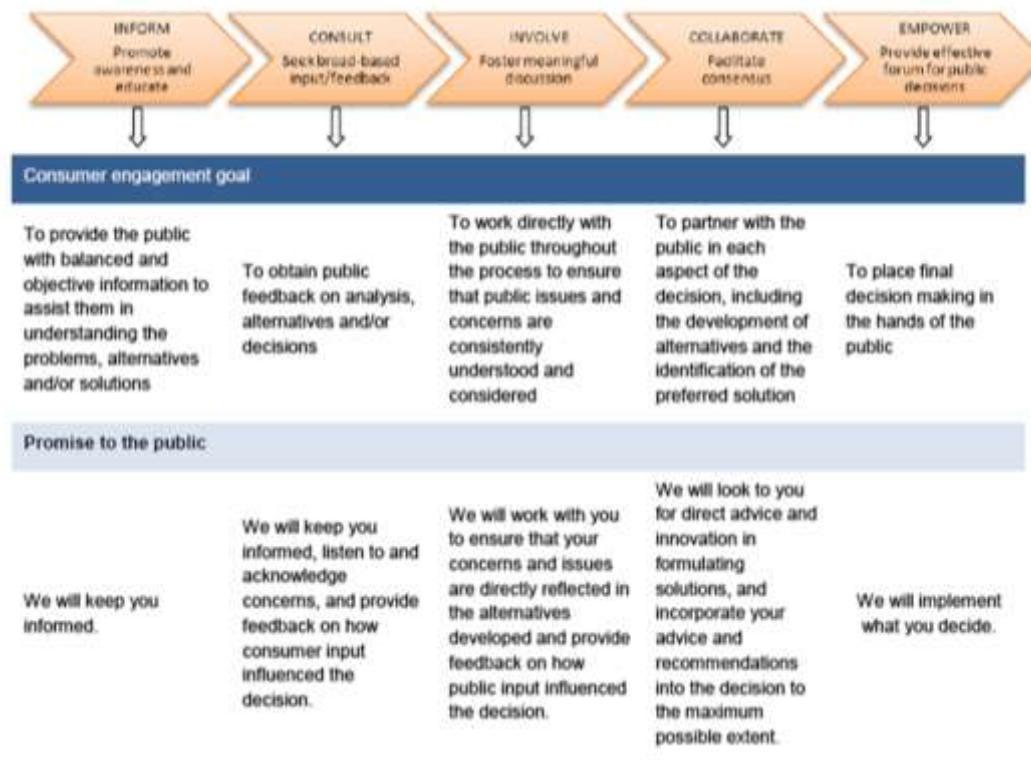
- Result in more comprehensive, relevant and timely information on the work of ActewAGL and its potential impacts;
- Mean increased and more regular opportunities to provide input in relation to issues that they are most interested in; and
- Lead to a better understanding of what impacts on energy bills and therefore more transparency around our decision-making and the impacts of regulatory activities and processes.

6. Engagement principles

In formulating this Strategy, AAD will be guided by the principles set out below.

Principle	What this means for our consumers
Clear, accurate and timely information	Information will be provided that is useful, relevant and easy to understand so that consumers can make informed choices and contribute effectively to the conversation.
Accessible and inclusive	Consumers will be engaged broadly across relevant communities and through a variety of interactions, so that they have the opportunity to participate in discussions, express opinions and understand the outcomes of our conversations.
Transparent	Our engagement with consumers will be open and honest, with regular and meaningful reporting, to enable an understanding of how consumer views and comments were taken into consideration.
Measurable	Each consumer engagement activity will establish clear and measurable criteria against which the success of the engagement can be measured. This will allow for continued improvement across the entire engagement program and ensure we are accountable against the objectives of each engagement activity.
Long-term	Engagement with our consumers will be on-going and regular, recognising that our consumers will be at differing levels of understanding and involvement in our organisation over time.

AAD recognises that in building a more comprehensive and mature approach to consumer engagement we need to consider engagement activities across the spectrum of engagement from informing to empowering consumers. (Refer to International Association of Public Participation (IAP2) schema shown below)



7. Our consumers

We have defined consumers as:

‘People and organisations that use our services in relation to our electricity and gas networks.’

AAD consumers can be grouped into the following categories:

- ACT and NSW residents – the families and households that access energy provided through our distribution networks.

- Large and or critical customers – those customers that access large amounts of energy, have more than standard infrastructure or have specialist service delivery needs such as hospitals.
- Commercial business owners – businesses of all sizes that access energy through our network, or provide goods and services associated in relation our network.
- Land and property developers – through the creation of new network infrastructure to service their developments.
- Embedded generators – Large Scale embedded generators (>5MW registered with AEMO) and Small Scale embedded generators (<5MW) connected to our system.

8. Engagement activities- Stage 1

Stage 1 consumer engagement activities will follow four clear steps – to further understand our consumers, to continue the conversation with our consumers, to start the work of reviewing our business processes and establishing clear Stage 2 priorities for the future and to build a customer centric culture.

Diagram 2: The steps in Consumer Engagement Strategy Stage



- We will **better understand our customers** through consumer analysis out of which we will develop consumer stakeholder performance indicators against which to measure our progress;
- We will **continue the conversation** by creating improved some consumer engagement pathways, including the creation of a Consumer Reference Group;
- We will work on our **processes and plan for Stage 2** through a review of our business processes; and
- We will develop a culture of customer centricity around all we do.

The work of Stage 1 will be informed by the following activities already completed or underway:

- **Willingness to pay studies** that have been undertaken over the past decade and provide useful information on residential and commercial customers preferences in relation to striking a balance between cost and levels of service quality and reliability;

- **Customer satisfaction survey** which is undertaken every year as part of its on-going monitoring of customer service. Major customer engagement services are facilitated through the **Customer Connections Branch** which works closely with these customers to facilitate major proposals, developments and future planning.
- **Demand-side development activities** are building partnerships with a number of prospective project clients to encourage growth in business opportunities in areas of demand side management. This activity is facilitated through the **Customer Connections Branch**.

8.1 Consumer analysis

AAD will undertake a comprehensive review of our consumers to better understand their knowledge and perceptions about the work of our organisation and seek their views of how they would like to be more engaged with our business. Undertaking this research will also be an early-stage opportunity to also establish improved relations with our consumers and provide information to them on our business.

Specialists consultants will be engaged to undertake this research which is expected to include aspects of the following:

- One-on-one interviews with representative consumers;
- Consumer forums, focus groups and drop-in sessions;
- Consumer survey; and
- Presentations and discussions at relevant community and business organisations, such as the ACT Community Councils, National Electrical Contractors Association, Master Builders Association and the Housing Industry Association.

8.2 Develop consumer engagement performance indicators

Concurrent with undertaking the consumer analysis, AAD will develop a series of performance indicators to provide benchmarks against which early stage activities associated with this Stage 1 Consumer Engagement Strategy will be measured. This exercise will be revisited to take into consideration the outcomes of the consumer analysis and be used to establish annual Key Performance Indicators (KPIs) against which the entire organisation can be measured (including activities of Stage 2).

An important part of creating an honest and open engagement environment will be to provide transparent reporting around these benchmarks.

8.3 New Consumer engagement pathways

As part of Stage 1 it will be important to create some new pathways for exchange of information with our consumers. These pathways will also be used to provide information to consumers about the consumer analysis and build awareness of AAD's commitment to enhancing engagement opportunities with our consumers. Consumer engagement pathways could include:

- A centralised web presence on the ActewAGL website providing information on this Strategy, how consumers can get involved, associated invitations and information as well as the opportunity to provide feedback to the organisation;
- A consumer newsletter to build awareness of our interest in engaging with our consumers and to provide information on the consumer analysis and associated outreach activities; and
- Incorporation of content on our consumer engagement activities into existing communication channels such as the *Essentials* newsletter, existing website pages and social media.

8.4 Consumer Reference Group (CRG)

As part of this Stage 1 of our consumer engagement program, AAD will establish a CRG initially as a pilot program.

The role of this group will be to act as a 'think-tank' to guide and test our consumer engagement program. It is anticipated that the CRG will:

- Provide input to the consumer analysis research;
- Explore in more detail relevant findings of the consumer analysis research to provide further understanding to ActewAGL; and
- Draw on its membership and community connections to provide advice on consumer engagement activities that could be undertaken during Stage 2.

The CRG will have an independent Chair that is a recognised leader within the Canberra community and include representatives from key consumer groups.

Subject to the outcomes of the pilot, it is anticipated that the CRG will continue as a core consumer engagement channel.

8.5 Review of consumer 'touch-points' – business process reviews

As part of Stage 1 of this Strategy an internal review of consumer 'touch-points' will be undertaken to assess whether these interactions reflect our consumer engagement aspirations.

Our interactions with consumers will fall broadly into three areas:

- Business as usual interactions, many of which are identified in Attachment 1 to this Strategy;
- Policy reforms such as the upcoming changes to consumer connection charges policy and tariff proposals;
- Business improvements and innovations, many of which may be identified as we gain a better understanding of our consumers and how they interact with our business.

This review will identify opportunities to enhance these interactions to facilitate movement of our consumers along the engagement spectrum from just informing or consulting them, through to involving and collaborating with them. As required, business processes will be updated or amended to better reflect AAD's commitment to effective consumer engagement.

An initial review of these processes has been undertaken against the criteria of what level of engagement we currently seek with our consumers through each existing process as well as the significance of this particular business process to the operations of our business. The results of this early-stage analysis is summarised below and in Attachment 1.

Table 1: Existing interactions with consumers and current purposes of this engagement

Current purpose of the engagement *	Empower			
	Collaborate	Planning	Demand side management Technical guidance Large or critical customer service agreements Property development planning Greenfield developments Brownfield developments Supervision of onsite works	Vegetation management Critical supply power security customers
	Involve	Tariff advice		
	Consult	Capital contribution/invoicing Renewable energy (pv arrays)	Connections (preliminary design, service marking, RFS electrical work requests) Disconnections	Construction(lines, cables, substations) Non-compliance (structural, safety)
	Inform	Meter reading		Maintenance activities and pole replacement Vegetation management campaign Public safety campaign Building near assets campaign Asset inspections
		Low	Medium	High
Current significance to business operations				

* assumes that preceding levels of the spectrum are met. ie. – activities seeking collaboration, also seek to inform, consult and involve.

8.6 Consumer centric culture

To provide the essential business foundation on which to leverage the other Stage 1 engagement activities, AAD will create a customer focussed organisational culture that recognises the importance of consumers and stakeholders. A cultural change program will be progressed through the existing Winning Teams Behaviours program. This next stage of the Winning Team Behaviours program will foster and encourage innovation and practical adoption of engagement practices through two way engagement, training and team development.

9. Implementation program –Stage 1

This Consumer Engagement Strategy Stage 1 is an important first step in the AAD’s journey to improved consumer engagement across the organisation. Stage 1 will take three years to complete. The expected high level implementation timeline for this Strategy is provided below. Stage 2 of AAD’s consumer engagement journey is expected to commence in 2017/18.

Diagram 3: Strategy implementation timeline

Activity	2014/15 Financial Year				2015/16 Financial Year				2016/17 Financial Year			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Consumer Analysis												
Consumer engagement KPIs												
Creating consumer engagement pathways												
Consumer Reference Group												
Business process review												
Staff training												
Consumer centric cultural program												

10. Resources

To progress this Consumer Engagement Strategy resources will be required, particularly with respect to project management of this Strategy and the development and implementation of Stage 1 engagement activities detailed in the Strategy. Further work is needed to quantify the extent of additional resources in the Strategy formation stage, but it is expected there will be a need to source several external consultancies to assist with delivery of some elements of the Strategy.

11. Reporting and evaluation

The engagement principles and Strategy Objectives cited earlier will guide the reporting and evaluation of this Consumer Engagement Strategy.

In addition to reporting against consumer engagement KPIs to be developed during Stage 1, A the following indicators are expected to feature in Strategy evaluation:

- Feedback from consumers received through existing channels as well as those new ones established during the implementation of this Strategy;
- Participation in the consumer analysis exercise in terms of numbers and diversity of contributions;
- The number of business processes amended to facilitate better consumer engagement; and
- AER assessment of our compliance with the National Electricity Rules and associated guidelines.

Long term engagement with consumers requires regular review and update to capture new consumers who have yet to be engaged and keep faith with those that are engaged and want to continue to contribute to the discussion.

The success of this Strategy will be regularly reviewed and the outcomes will be reported to our consumers through the various consumer engagement channels.

12. Conclusion

This Consumer Engagement Strategy represents a significant step towards enhanced consumer engagement by AAD. We share the commitment of the AER and others in the energy sector to increased engagement with our consumers and other stakeholders to ensure we are best able to meet their long-term needs and expectations.

We understand the sentiments of the AER Chairman, Andrew Reeves – *‘It is difficult for the regulator to be confident that a business’s proposal will deliver the services that consumers want, if consumers don’t have a real opportunity to effect that proposal’³.*

ActewAGL and AAD look forward to the opportunity to embrace improved consumer engagement across the organisation from updated operational processes through to

³ Better Regulation, Explanatory Statement, Consumer Engagement Guideline for Network Service Providers, AER November 2013.

enhanced employee skills and an organisational culture that supports and embeds the changes.

By building on our already strong relationship with the community of the Canberra region and our existing understanding of our consumers, the opportunities that will arise from improved open, honest and effective engagement with our stakeholders are very exciting.



Attachment 1 – Existing consumer ‘touch-points’

Consumer type	Subset of consumers or particular services provided to them	Current nature of engagement eg, by personal interaction; customer Service Areas; information on website; written correspondence etc	Is the purpose of engagement to: Inform, Consult, Involve, Collaborate or Empower
ACT & NSW Residents			
	Meter reading	Personal interaction by meter readers	Inform
	Maintenance activities and pole replacement	Written correspondence, personal interaction	Inform
	Demand side management	Provision of information on energy efficiency	Inform, involve, consult, collaborate
	Vegetation Management	Personal interaction, media communications, website	Inform, involve, consult, collaborate
	Vegetation management communications campaign	Radio, TV, digital, media, PR, social media, website	Inform
	Public safety communications campaigns (electrical and gas safety, reporting accidents, bushfire safety, storm safety, overloading power points and power boards)	Press, radio, digital, media, PR, social media, website	Inform
	Building near utilities assets communications campaign	Radio, TV, digital, media, PR, social media, website, MBA	Inform
	Construction (Lines, cables, substations)	Written correspondence, website, personal interaction	Inform, consult
	Emergency response	Personal interaction, phone, website, media	

Consumer type	Subset of consumers or particular services provided to them	Current nature of engagement eg, by personal interaction; customer Service Areas; information on website; written correspondence etc	Is the purpose of engagement to: Inform, Consult, Involve, Collaborate or Empower
	Technical guidance (Service & Installation rules, construction standards, technical standards, quality of supply)	Written correspondence, personal interaction	Inform, involve, consult, collaborate
	Connections (preliminary design, service marking, RFS electrical works requests)	Written correspondence, personal interaction	Inform, involve, consult
	Capital contribution / invoicing	Written correspondence, personal interaction	Inform, involve, consult
	Planning	Written correspondence, personal interaction	Inform, involve, consult, collaborate
	Disconnections (removal of the service cable)	Written correspondence, personal interaction	Inform, involve, consult
	Non-compliance (structural, safety)	Written correspondence, website, personal interaction	Inform, involve, consult
	Asset inspection (poles, lines, vegetation, customer private works)	Written correspondence, website, personal interaction	Inform
	Renewable energy (pv arrays)	Written correspondence, website, personal interaction	Inform, involve, consult
	Tariff advice	Written correspondence, website, personal interaction	Inform, involve
Large and/or critical customers			
	Those with a customer service agreement	Account manager; Customer Connections Branch	Inform, involve, consult, collaborate
	Those with critical roles and need for power security, eg hospitals, key defence and government institutions	Account manager; Customer Connections Branch	Inform, involve, consult, collaborate



Consumer type	Subset of consumers or particular services provided to them	Current nature of engagement eg, by personal interaction; customer Service Areas; information on website; written correspondence etc	Is the purpose of engagement to: Inform, Consult, Involve, Collaborate or Empower
Commercial business owners			
	As per ACT Residents as above		
	Demand side management	New internal Demand Management Engineer position	Inform, involve, consult, collaborate
Property developers			
	Planning	Written correspondence, personal interaction	Inform, involve, consult, collaborate
	Greenfield developments	Written correspondence, personal interaction	Inform, involve, consult, collaborate
	Brownfield developments	Written correspondence, personal interaction	Inform, involve, consult, collaborate
	Supervision of onsite works - eg building substations. See building near utility campaigns under ACT residents	Written correspondence, personal interaction	Inform, involve, consult, collaborate
Embedded generators			
	Planning	Written correspondence, personal interaction	Inform, involve, consult, collaborate
	Greenfield developments	Written correspondence, personal interaction	Inform, involve, consult, collaborate
	Brownfield developments	Written correspondence, personal interaction	Inform, involve, consult, collaborate
	Supervision of onsite works - eg building substations.	Written correspondence, personal interaction	Inform, involve, consult, collaborate



for you