

## Jemena Reporting - Service Improvement Commitment

This template allows each electricity distribution business to report how it is progressing against the Service Improvement Commitment – that is attached.

In Table 1, distribution businesses should report the initiatives:

- completed or begun under the column ‘What have we done’
- that have not yet begun under the column ‘What are we planning to do’

In Table 2, each distribution business should report its performance against KPIs relating to outcome 2.

### Assessment traffic lights

Each distribution business should report overall progress toward delivering an outcome using the traffic light system. The table below indicates the criteria to meet each traffic light.

Traffic light	Criteria
<b>Green</b>	All initiatives delivered or all initiatives commenced and there is a low risk of incomplection.
<b>Amber</b>	All initiatives have commenced and there is a moderate risk that some initiatives may not be delivered within agreed timeframes. Or some initiatives are yet to commence.
<b>Red</b>	A number of initiatives have commenced and there is a significant risk that they will not be delivered within agreed timeframes. Or most initiatives have not commenced.



Service Improvement Commitment (see Appendix A)		What have we done This column includes activities from the SIC that have been completed.	What are we planning to do This column includes activities from SIC that are yet to begin or are being planned.	Overall progress assessment
Outcome sought	Commitment from distribution business			
1. Improving developers and contractors understanding of the distribution business' policies and practices, or how they can influence	Improve communications and customer focus	<ul style="list-style-type: none"> <li>Letters of communication (to be sent during May 19) detailing changes to our Portal which will detail services available to be applied for via the Portal include:               <ul style="list-style-type: none"> <li>New connections and supply upgrades</li> <li>Asset relocations</li> <li>New residential / commercial estates</li> <li>Embedded generation</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>JEN Portal development to automate the customer application process which will:               <ul style="list-style-type: none"> <li>Provide customer with regular status updates</li> <li>Enable a central location to monitor all applications</li> <li>Target seamless interactions</li> </ul> </li> </ul>	On-track
	Establish a consultative panel to discuss and resolve matters related to electricity connections	<ul style="list-style-type: none"> <li>Established working relationships with developers, including fortnightly meetings to monitor projects and address issues</li> <li>Internal Key Account Managers have stakeholder management and engagement strategies in place to further develop these relationships</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing monitoring of working relationships and future improvements</li> </ul>	On-going

Service Improvement Commitment (see Appendix A)		What have we done	What are we planning to do	Overall progress assessment
Outcome sought	Commitment from distribution business	This column includes activities from the SIC that have been completed.	This column includes activities from SIC that are yet to begin or are being planned.	
2. Minimising avoidable delays in connecting greenfield developments to existing distribution networks.	Setting target timeframes for negotiated connection process, and developing meaningful KPIs	<ul style="list-style-type: none"> <li>Developed a set of KPIs that measure performance at key stages in the connections process.</li> <li>Achieved significant improvement in turnaround time to issue offers (see KPI table 2 commentary and attached).</li> </ul>	<ul style="list-style-type: none"> <li>Completed</li> <li>Continued active monitoring</li> </ul>	Completed
	Publishing and presenting regular performance reports	<ul style="list-style-type: none"> <li>Jemena is currently working on performance reporting and will make this available once complete.</li> </ul>	<ul style="list-style-type: none"> <li>We are currently preparing our first performance report. We plan to complete the report by end June 2019.</li> <li>The report will also include results of audit performance.</li> </ul>	On-going
	Establishing ongoing review cycle for KPIs	<ul style="list-style-type: none"> <li>Developing this as we continue to track our performance</li> </ul>		
	Explore development of a service level agreement (SLA)			

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Outcome sought	Commitment from distribution business			
3. Improving how technical standards are managed and communicated	Establish a VIC DB working group to explore Technical Standards Harmonization	<ul style="list-style-type: none"> <li>Jemena recommends that the continued reporting of this commitment come via the Technical Standards Committee.</li> <li>Jemena has had representation at the first two meetings</li> <li>Initial focus areas include Underground Residential Distribution developments</li> </ul>	<ul style="list-style-type: none"> <li>Continue to support the committee with appropriate SME</li> </ul>	On-going
	Combine with other Vic DBs to develop a technical standards committee	<ul style="list-style-type: none"> <li>Review of Terms of Reference complete and feedback provided to the committee</li> </ul>	<ul style="list-style-type: none"> <li>Continue to support the committee with appropriate SME</li> </ul>	On-going
	Undertake Gap Analysis to compare all DB's Technical Standards relating to URD design and construction		<ul style="list-style-type: none"> <li>Awaiting engagement of consultant to undertake gap analysis</li> </ul>	On-track

Service Improvement Commitment (see Appendix A)		What have we done This column includes activities from the SIC that have been completed.	What are we planning to do This column includes activities from SIC that are yet to begin or are being planned.	Overall progress assessment
Outcome sought	Commitment from distribution business			
4. Review and improve audit process and Practices.	Develop a program to improve its audit process and practices.	<ul style="list-style-type: none"> <li>• Today, Jemena allows Developers to engage and manage their own accredited auditors.</li> </ul>	<ul style="list-style-type: none"> <li>• If required, Jemena will seek to expand the number of Audit contractors available to developers.</li> </ul>	On-going
	Publish an audit performance for feedback every six months.	<ul style="list-style-type: none"> <li>• Audits are only submitted to Jemena once passed.</li> <li>• 70% of construction is contestable on our network.</li> </ul>	<ul style="list-style-type: none"> <li>• Jemena don't see the value in publishing a report that would be 100% compliant but are willing to work with the ESC if they still see value.</li> </ul>	On-going
	Seek appropriate service descriptions and classifications for audit services as part of the AER Service Classification process for the 2021-25 Victorian electricity distribution price review	<ul style="list-style-type: none"> <li>• 'Final Framework and Approach' paper—issued by the AER—which outlines the "Inspection and auditing services (page 102 and 103)"</li> <li>• <a href="http://www.aer.gov.au">www.aer.gov.au</a></li> </ul>		On-track

Service Improvement Commitment (see Appendix A)		What have we done	What are we planning to do	Overall progress assessment
Outcome sought	Commitment from distribution business	This column includes activities from the SIC that have been completed.	This column includes activities from SIC that are yet to begin or are being planned.	
5. Promoting efficient competition in connection services (or component parts)		<ul style="list-style-type: none"> <li>Jemena offers a contestable option for all design and construction (including Tie-In).</li> <li>&gt;70% of all developers engage their own contractor on the JEN network.</li> </ul>	<ul style="list-style-type: none"> <li>Developers can engage in contractors that are not engaged with Jemena. Jemena will support, provided appropriate accreditation.</li> </ul>	Complete

Service Improvement Commitment (see Appendix A)		What have we done	What are we planning to do	Overall progress assessment
Outcome sought	Commitment from distribution business	This column includes activities from the SIC that have been completed.	This column includes activities from SIC that are yet to begin or are being planned.	
6. Resource constraints - increased number of developments and associated pressure on qualified industry resources		<ul style="list-style-type: none"> <li>Number of accredited contractors already available for developers to engage.</li> </ul>	<ul style="list-style-type: none"> <li>Developers can engage in contractors that are not engaged with Jemena. Jemena will support, provided appropriate accreditation.</li> </ul>	Complete

## Further details

Further details on each outcome are attached to this update.

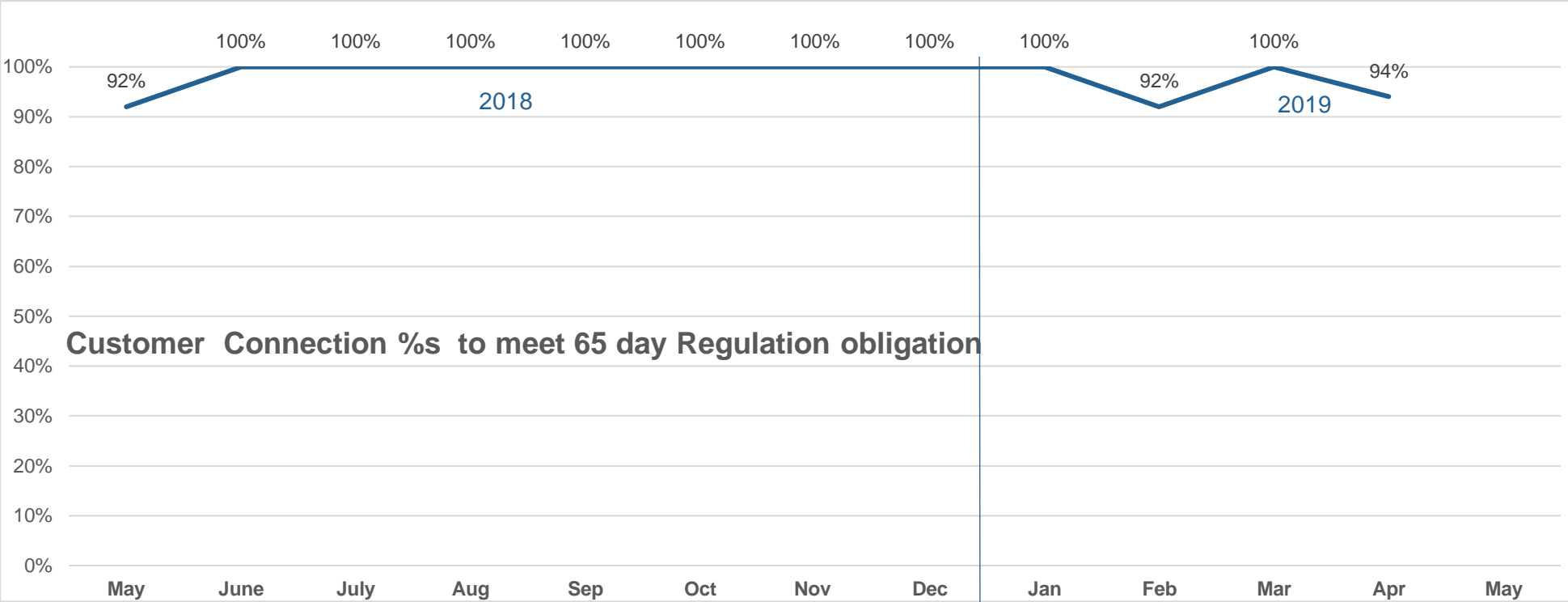
### Performance against KPIs

In Table 2 each distribution business should report its performance against its KPIs. Distribution businesses should provide a short explanation (in the column 'Detail') if a KPI has not been met along with proposed corrective actions.

**Table 2 – Performance against KPIs**

Measure (KPI)	Reporting timeframe	Result	Detail
Negotiated Connection Offer 90% ≤45 Business Days 100% ≤65 Business days	Monthly	See attached appendix	
Customer Supply delivered 12 weeks after offer acceptance or by customer preferred date which is later than 12 weeks.	Monthly	-	Still under implementation

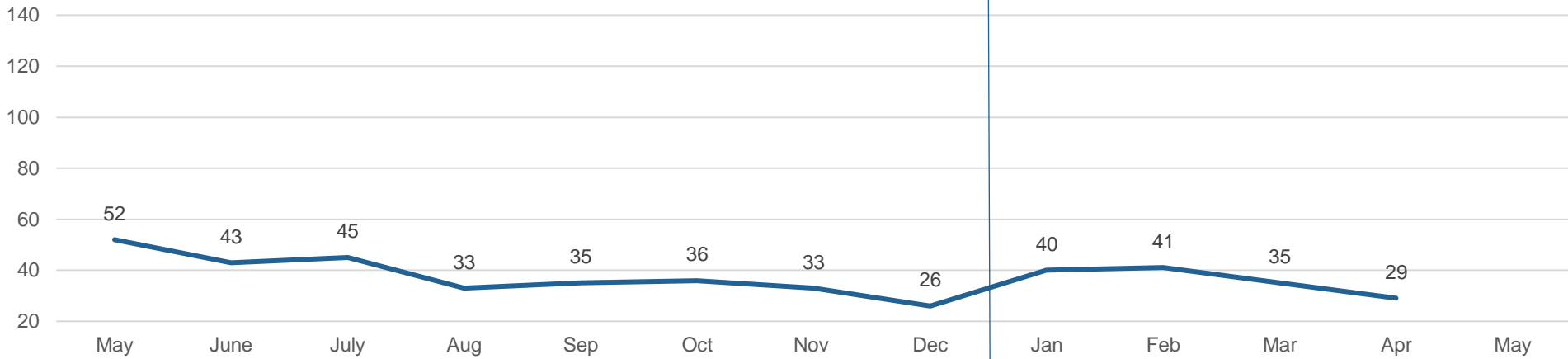




### Customer Connection mean days to customer offer

2018

2019



## Appendix A: Service Improvement Commitment

The table below highlights the outcomes being sought, and the nature of commitments from the distribution businesses to address each issue in detail. The commitments may vary across distribution businesses, depending on measures and practices already in place. The commitment should address how and when the distribution business will implement (or has already implemented) the proposed measures, and commit to regular reporting on progress to the Governance committee.

### Matters for inclusion in the service improvement commitment

Outcome sought	Commitment from distribution business
1. Improving developers and contractors understanding of the distribution business' policies and practices, or how they can influence them.	<p>Each distribution business will improve communications and customer focus by:</p> <ul style="list-style-type: none"><li>• ensuring website material is consistent with practices.</li><li>• clearly explaining each party's roles and responsibilities under the regulatory framework.</li><li>• identifying opportunities for stakeholders to participate in relevant regulatory decisions. (For example, Australian Energy Regulator connection service classification decisions for distributors and distributor connection policies)</li><li>• developing ways to communicate in a "two way" manner with developers about progress and reasons for delays in connecting new developments to the electricity supply.</li></ul> <p>Establishing a consultative panel (committee) including developers to discuss and resolve matters related to</p>

Outcome sought	Commitment from distribution business
	electricity connections. This committee could be dissolved once confirmation is made that issues described above have been addressed.

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Table continued

Outcome sought	Commitment from distribution business
<p>2. Minimising avoidable delays in connecting greenfield developments to existing distribution networks.</p> <p>Related to this:</p> <ul style="list-style-type: none"> <li>• making the processes and reasons for delays transparent</li> <li>• establishing a clear process for developers to raise persistent complaints, or for addressing them</li> </ul>	<p>Each distribution business will draw on existing processes, and any improvement initiatives already underway, and results of stakeholder engagement to undertake the following measures:</p> <ul style="list-style-type: none"> <li>• setting target timeframes for specified stages of the negotiated connection process</li> <li>• developing meaningful KPIs for each timeframe target. For example 95% of a defined action to be completed within the target timeframe.</li> </ul> <p>Publishing a regular performance report setting out:</p> <ul style="list-style-type: none"> <li>• performance against the KPI</li> <li>• commentary on reasons if the KPIs are not met, and any corrective actions necessary.</li> </ul> <p>The performance report will also include matters related to audit performance described under item 4.</p> <p>Presenting performance reports to stakeholders and engaging with them to identify areas of change or for improvement.</p> <p>Performance reports should be prepared every six months.</p> <p>Establishing an ongoing review cycle for updating targets and KPIs.</p>

Outcome sought	Commitment from distribution business
	<p data-bbox="629 292 1357 363">Exploring the development of a service level agreement (SLA).</p> <ul data-bbox="629 395 1379 619" style="list-style-type: none"><li data-bbox="629 395 1317 475">• The SLA should be developed in consultation with stakeholders.</li><li data-bbox="629 491 1379 619">• The SLA should be referenced or incorporated in Victorian distributors' connection policies as part of the 2021-25 network price determinations.</li></ul>

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Table continued

Outcome sought	Commitment from distribution business
<p>2. Minimising avoidable delays in connecting greenfield developments to existing distribution networks (continued).</p>	<p>Publishing the steps to escalate a complaint in relation to new connections on the distribution business’s website. This will include placing a link on the distributor’s website to a complaints register to be established by the Commission. The register will log complaints raised by stakeholders in relation to the connections process.</p>
<p>3. Improving how technical standards are managed and communicated. Including:</p> <ul style="list-style-type: none"> <li>• making standards across distributors consistent allowing for justifiable differences.</li> <li>• ensuring consistent interpretation of standards by different distribution businesses and auditors</li> <li>• improving certainty and transparency about which standards are applicable</li> <li>• ensuring timely consultation about changes to standards or their implementation.</li> </ul>	<p>The distribution businesses will lead the development of a new Technical Standards Committee whose indicative membership will include: the distribution businesses, developers, councils, electrical designers, civil constructors, electrical cable installers, Energy Safe Victoria and the Victorian Planning Authority.</p> <p>Technical Standards Committee will be responsible for (but not limited to):</p> <ul style="list-style-type: none"> <li>• harmonising standards where possible</li> <li>• providing a forum for raising issues and sharing information</li> <li>• issuing practice/policy guidance notes establishing principles to follow, identifying best practice or suggesting actions.</li> </ul> <p>The Standards Committee will draw on practical experiences (including insights from the Victorian Planning Authority, and Commission reviews) to prioritise its work.</p>

Outcome sought	Commitment from distribution business
	<p>The Standards Committee will invite the Commission to attend committee meetings as an observer.</p> <p>The Standard Committee may choose to base its structure and governance arrangements on an organisation like the Melbourne Retail Water Agencies</p>

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Table continued

Outcome sought	Commitment from distribution business
<p>4. Review and improve audit process and practices. This includes ensuring:</p> <ul style="list-style-type: none"> <li>• audit processes are efficient, transparent, fair, predictable, and protected from inappropriate influence.</li> <li>• appropriate pricing of audit services.</li> </ul>	<p>Each distribution business will develop a program to improve its audit process and practices. Some suggestions for improving the audit process including:</p> <ul style="list-style-type: none"> <li>• finishing audits even if it would be a fail</li> <li>• maximising opportunities for real time remediation of defects</li> <li>• auditing interim milestones and providing feedback to developers so as they can fix any defects before the final audit</li> <li>• including times for audit and re-audits within a service level agreement (discussed above)</li> <li>• adopting common audit process across all distribution businesses</li> <li>• increasing the number of auditors available (potentially through contestability).</li> </ul> <p>Each distribution business will publish an audit performance for feedback every six months. The report may include data on the number of audits undertaken, the number of audits passed or failed, the number of re-audits and the reasons audits fail. This report will form part of the performance report described under item 2.</p> <p>Each distribution business will seek appropriate service descriptions and classifications for audit services as part of</p>

Outcome sought	Commitment from distribution business
	the AER Service Classification process for the 2021-25 Victorian electricity distribution price review (for example ,each will consider 'fast-tracked audit services', and 'audit revisits', as possible alternative control services).

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## Table continued

Outcome sought	Commitment from distribution business
5. Promoting efficient competition in connection services (or component parts)	<p>In the next six months each distribution business will review the contestability of components of their connection services.</p> <p>This will occur where contestability can deliver timeliness, cost savings and enhanced user experiences, without compromising distribution network reliability, safety and performance.</p> <p>Each distributor to use the AER Service Classification process at the beginning of each price review (NER Chapter 6) for the AER to seek appropriate service descriptions and service classifications to facilitate competition.</p> <p>Each distribution business will prepare a report on the matters discussed above under item 5. The report is due by 28 February 2019.</p>
6. Resource constraints - increased number of developments and associated pressure on qualified industry resources	<p>Each distribution business will prepare a report outlining its initiatives to increase resourcing related to new connections. The first report is due by 30 November 2018. Annual reports will then be prepared for the next 3 years.</p>