



Electricity connections – 6 month performance report

AusNet Services July 2019

AusNet Services is a signatory to the ESC's Service Improvement Commitment to improve the timeliness of electricity connections by Victorian electricity distribution businesses.

Outcome 2 of the Service Improvement Commitment commits the business to:

Publishing of a regular performance report setting out:

- *Performance against the KPI*
- *Commentary on the reasons if the KPIs are not met, and any corrective actions necessary.*

The performance report will also include matters related to audit performance described under item 4.

Presenting performance reports to stakeholders and engaging with them to identify areas of change or for improvement.

Performance reports should be prepared every six months.

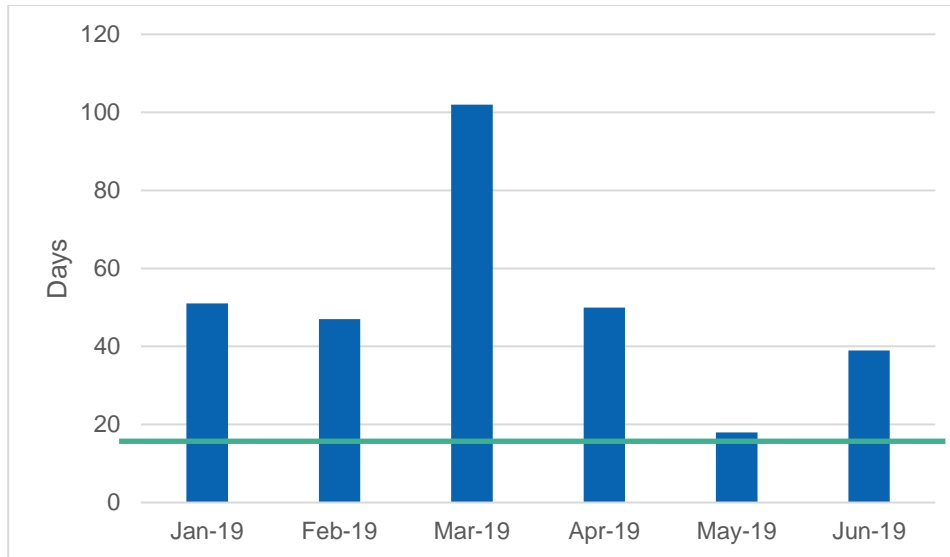
This report presents AusNet Services' results for the suite of KPIs reported to the Essential Services Commission for the period 1 January to 30 June 2019, providing further explanation of each metric and its results.

At the additional request of the ESC, AusNet Services also presents its performance on the installation of builder' temporary supplies, which are essential to the housing construction industry.

AusNet Services submits this report to the ESC for forwarding to the development industry representatives of the Governance Committee, ahead of the July 2019 Committee meeting.

KPI 1

DESIGN APPROVAL CYCLE TIME \leq 15 DAYS



WHAT THIS METRIC MEANS

This metric measures the number of days that medium density housing estate designs are with AusNet Services for review and approval.

Through improved reporting mechanisms, AusNet Services has changed this metric in June 2019 to retrospectively reflect medium density housing design approvals from the day of receipt of a firm application request to when a firm offer price is issued. The results include any time taken by the customer or their agent to update or review the design or offer in their own time. Further refinement of the metric is planned for the second half of 2019.

We have a target to approve designs within 15 working days.

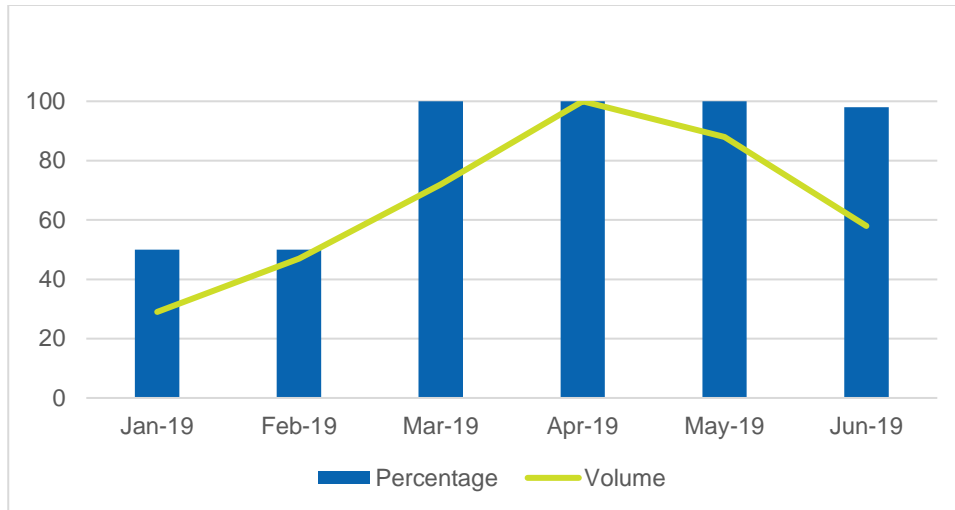
A SUMMARY OF OUR 6 MONTH PERFORMANCE

Medium density housing in the AusNet Services area encompasses not only the rapidly expanding metropolitan growth corridors in Melbourne's north and south-east, but supports population growth in major regional centres in the Kilmore and Wodonga regions, as well as Warragul, Drouin and Traralgon. In only one month of the first half of 2019, have we come close to our target of \leq 15 days from receipt to approval, including any days for any resubmission of corrected drawings from the external designer.

Since March 2019, AusNet Services has consolidated the oversight of all medium density housing projects through one centralised office, and added 2 additional staff to assist the process. In the short term, we will look to increase resourcing of this function. We are preparing a business case to develop a customer portal and automate back-end systems to streamline this approval process further. We have established an AusNet Services/URD Consultative Panel who has suggested improvements for drawing approval process, and hold regular meetings with accredited design houses. In addition, AusNet Services is collaborating with the other distribution businesses and the industry through the Technical Standards Committee to harmonize and communicate design standards.

KPI 2

NETWORK AUDITOR SITE AUDIT REPORTS RECEIVED WITHIN 10 DAYS OF REQUEST



WHAT THIS METRIC MEANS

This metric measures the percentage of pre-commissioning or final audits reports that are received from AusNet Services' Network Auditor, within 10 days of AusNet Services or a developer/constructor requesting the audit.

A pre-commissioning audit pass allows the developer to obtain a Statement of Compliance for the project. A Final audit pass confirms no subsequent site works have compromised the safety of the electricity assets.

The blue column indicates the percentage achieved within 10 days for the month. The green line shows the volume of audits for the month.

A SUMMARY OF OUR 6 MONTH PERFORMANCE

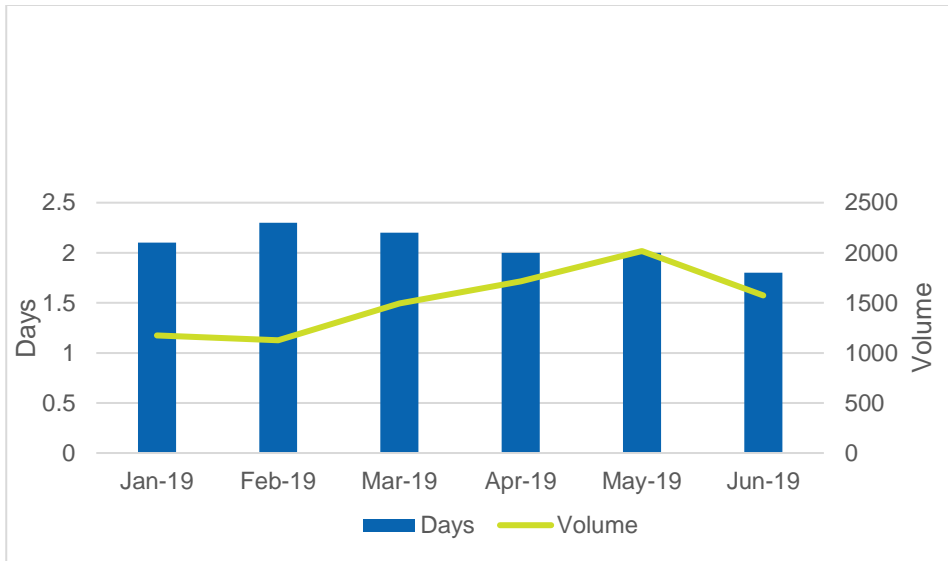
In the first two months of 2019, AusNet Services Network Auditors achieved a 50% success rate in returning completed audits within the 10 day time frame. Since March – even as volumes increased – results upwards of 98% have been achieved. The timeliness of Network Audit services is of concern to developers and AusNet Services is seeking to further improve performance through expansion of the Network Audit panel, with a tender for services now in the market.

Our dedicated Delivery Compliance Coordinator is also reviewing the audit data with results revealing:

- 472 Network Audits were performed in the first six months, of which 200 were pre-commission audits and 272 were final audits
- Of the pre-commission audits, 77% (155) passed on first audit, while 71% (192) of the final audits also passed first time.
- A further 7 sites underwent a 2nd pre-commission audits, and another 3 took a third. For final audits, the results were 15 x 2nd, 7 x 3rd, 2 x 4th and 1 x 5th.
- The number of repeats is of concern to AusNet Services and developers alike. The most prevalent issue is provision of incorrect asset data or construction not to plan or standards (accuracy is required for network/public safety); with minor instances of vandalism, cracked concrete or protruding nails.
- AusNet Services will work with constructors to remedy these issues via the Technical Standards and Consultative Panel processes, and on site visits.

KPI 3

ALLOCATION OF NMI WITHIN 2 BUSINESS DAYS (AVERAGE DAYS)



WHAT THIS METRIC MEANS

This metric measures the average number of days taken for AusNet Services to allocate a NMI for single premise, group metering and Private Main in Public Land new connections, after the Retailer service order is received.

Blue columns indicate the days taken to create the NMI – our regulatory target is 2.

The green line indicates the volume of Service Orders received during the month, which reached a high of 2017 requests in May 2019.

A SUMMARY OF OUR 6 MONTH PERFORMANCE

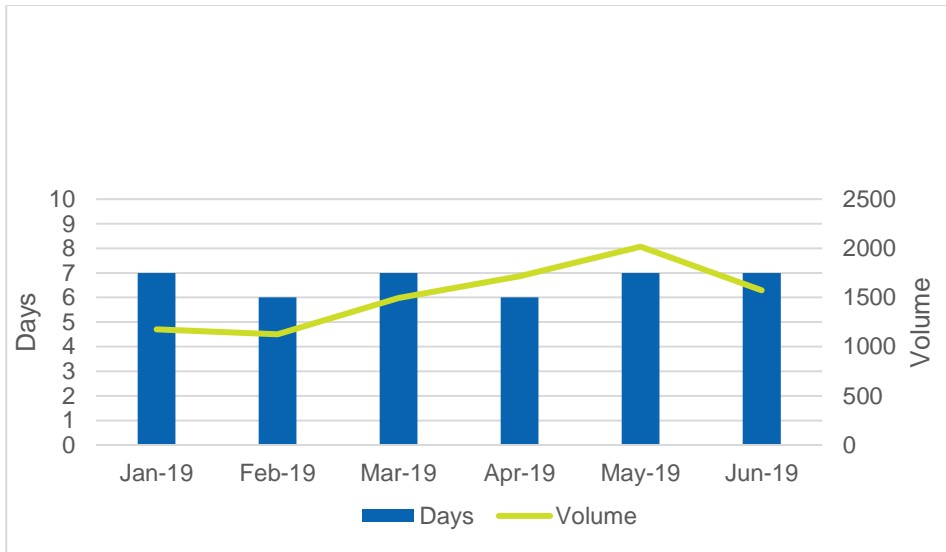
In the first quarter of 2019, AusNet Services was marginally over the target of 2 days as the average time to create a NMI for the 3795 Service Orders received during the period. Reasons for failing to meet the target can be:

- Group metering schemes – Service Orders are held open until all the premises are ready for connection and then all are connected on the same day.
- Paperwork delays or discrepancies – we follow up with the retailer and customer's Registered Electrical Contractor to obtain complete, accurate documents
- Address discrepancies – we follow up with Local Councils to confirm addresses that are not updated in their systems and that subdivisions have been approved.

Our performance improved in the second quarter through the cross-skilling of staff which has enabled AusNet Services to achieve the 2 day target.

KPI 4

METER CONNECTION WITHIN 10 BUSINESS DAYS



WHAT THIS METRIC MEANS

This metric is a measure of the days taken for AusNet Services to roll a truck and complete the new connection at a customer's premises.

Blue columns indicate the days taken between our receipt of Retailer's Service Order and the day our crew visited the site – our regulatory target is 10.

The green line indicates the volume of Service Orders received during the month, which reached a high of 2017 requests in May 2019.

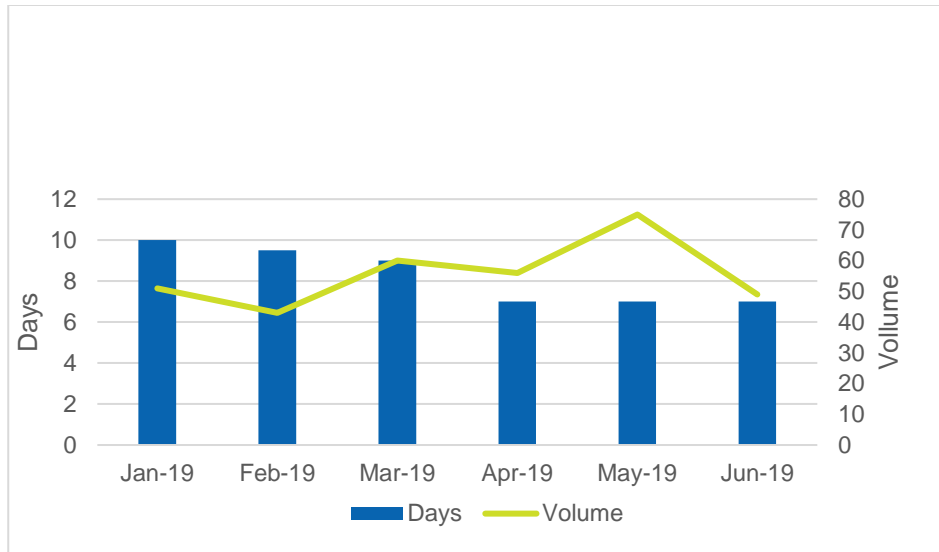
A SUMMARY OF OUR 6 MONTH PERFORMANCE

In the first half of 2019, AusNet Services has consistently achieved the 10 day connection timeframe, by ensuring Retailer service orders are issued to field crews as quickly as possible. The aggregate volume of new connections in the six month period was 9102.

While our aim is to always meet the regulatory timeframe, should any connection fall outside the 10 day limit, the customer would be entitled to a Guaranteed Service Level payment of \$70 per day for up to 5 days.

KPI 5

BUILDERS' SUPPLY POLES ESTABLISHED WITHIN 10 BUSINESS DAYS



WHAT THIS METRIC MEANS

This metric measures how long it takes AusNet Services to establish a builder's temporary supply (either a free-standing tripod connection or a meter on an up-stand in a temporary position).

Blue columns indicate the days taken between our receipt of Retailer's Service Order and the day the builder's supply pole was erected – our regulatory target is 10.

The green line indicates the volume of Service Orders received during the month.

A SUMMARY OF OUR 6 MONTH PERFORMANCE

Like New Connections, the target for energising a builder's supply pole is 10 days. Throughout the first half of 2019, AusNet Services achieved the 10 day target for the 334 connections requests it received.

Throughout January and February, the connection timeframes were above 9.5 days, as the construction industry resumed activity after the holiday break. At the same time, AusNet Services increased training and resources, and cross-skilled staff to manage all new connections activities.

Volumes again picked up in May; however, AusNet Services was able to maintain an average of 7 days for these builders' connections.

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