

Minutes



SA Power Networks' Business Reference Group

Meeting Details

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| Organiser | Alex Lewis |
| Date | 22 November 2018 |
| Time | 9.00am – 11.00am |
| Location | Network Innovation Centre, 229 Richmond Rd, Keswick |

Attendance

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| Gavin McMahon | Central Irrigation Trust |
| Chris Marsden | Department for Energy and Mining |
| James Moulds | Adelaide Airport |
| Brian Attwood | Consumers SA |
| Mark Gishen | South Australian Wine Industry Association Inc. (SAWIA) |
| David Scotland | SACOME |
| John Chapman | Office of the Small Business Commissioner |

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|----------------------|--------------------------------------|
| Doug Schmidt (Chair) | GM Network Management, SAPN |
| Joe Caruso | Major Customer Manager |
| Jessica Vonthethoff | Manager Stakeholder Engagement, SAPN |
| Alex Lewis | Stakeholder Engagement Lead, SAPN |

Apologies

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| Sue-Ann Charlton | GM Customer Relations, SAPN |
| Andrew McKenna | Business SA |
| Pat Gerace | UDIA |
| Kent Hopkins | Housing Industry Association |
| Debbie Wielgosz | Department for Energy and Mining |

Business Arising

1. Welcome, Apologies and Introductions

D Schmidt welcomed members to the Business Reference Group meeting. Doug noted the apologies received.

2. Business arising from last meeting

- Sporting Ground tariff and demand management – information has been forwarded to SAPN.

3. Around the table

- Consumers SA – SA Water/ ESCoSA setting up an expert panel as part of a pilot program for a negotiated regulatory outcome. There would be value in monitoring the outcomes of the program by the BRG.
- CIT – Sports Ground tariff where new smart meters and demand tariff has seen huge price increases which will be a significant issue for sporting clubs going forward. The TSS will need to consider this in the future.

- Adelaide Airport – power prices are pushing large customers to solar investments. The load profile is changing as construction/ expansion of the airport continues, with the new hotel now open.
- Wine Industry – members are fairly quiet. Solar is playing an increasing role in the industry and changing small business demand. UK experience and study tour – bit sceptical about SA Water/ ECoSA trial and customers on the whole weren't adequately represented.
- Govt – an update on the timing and status of the Interconnector Project was raised. Metering coordination and coordination with other service providers eg. roadworks as has significant impact on small business. Status of projects in train and in proposal?

John Chapman asked to note thanks to SAPN on its responsiveness for a recent satisfactory outcome for a Riverland not for profit organisation.

4. Levels of Service

Alex Lewis and Kane Scott presented on the development of the Levels of Service (LoS) for the business, outlining the categories and their intent. There are 34 proposed levels of service in total, with the following ones being presented in more detail to the BRG.

- *Customer experience* - Customer connections delivered to agreed date
- *Customer experience* – Minor connection quotes delivered on time
- *Customer experience* - Other connection quotes delivered on time
- *Customer experience* - Responses to quality of supply enquiries
- *Customer experience* - Completing minor remedial works for quality of supply enquiries within 80 business days
- *Reliability and resilience* - Average number of minutes per year that a customer is without electricity for all unplanned interruptions (excluding major weather events)
- *Reliability and resilience* - Average number of times per year that a customer is without electricity for all unplanned interruptions (excluding major weather events)
- *Reliability and resilience* - Region based reliability targets achieved
- *Reliability and resilience* - Region based restoration targets achieved
- *Communication and information* - Planned interruptions for which four business days' notice provided
- *Communication and information* - Planned interruptions completed within specified timeframe
- *Communication and information* - Number of planned interruptions cancelled without four business days' notice
- *Communication and information* - Unplanned outages for which customers were notified with information via SMS
- *Efficiency* - Relative performance efficiency rank compared to other Australian distributors
- *Efficiency* - Average annual asset replacement rate

Members were asked to complete a survey ranking the Levels of service from 1-3 by importance (1 being low, 3 being high).

Key discussion points raised were:

- Planned work within timeframe – could push out the estimated time to achieve 100% compliance
- Unplanned interruptions and SMS notifications – how is this measured if received but the phone battery is flat? SAPN responsible for sending or ensuring received? The need to promote charging your phone in your car in extended outages was noted.
- How do our LoS compare with other electricity distributors? The importance of benchmarking was highlighted, in particular with Victoria.
- Importance of continual improvement.

5. Presentation and discussion: Draft Plan 2020 – 2025

Jessica Vonthethoff provided an overview of the Draft Plan and feedback received – a total of 32 submissions were received.

The Draft Plan aims to balance the necessary investment in maintaining a safe and reliable network that can support the changing energy needs of customers in the future, with the clear desire to keep a lid on prices.

Feedback included:

- Reliability vs price argument – what's the trade off? Hardening the network and delivering improved reliability to poorly serviced customers vs price reductions and reduced investment.

The CCP and Reference Groups will be informed prior to lodging the Regulatory Proposal in January 2019. The question of whether SAPN would seek an exemption from lodging its Proposal in Jan 2019 was raised given the significant inputs, such as Rate of Return and Taxation, that are awaiting finalisation and will have a significant impact on the proposal being lodged.

6. Customer Consultative Panel/ Reference Group Review

The ongoing role, purpose and structure of the Business Reference Group in terms of what's working, what's not working, is the structure right and what role do you see for the group going forward was discussed.

Feedback and discussion included:

- Achieved good results for members – early ideas and information eg. tariffs.
- SAPN has listened to its members and the BRG has provided a good opportunity for this two-way flow of information.
- Increased knowledge and opportunity to inform members.
- Relationship building and trust.
- Good engagement and interaction with SAPN.
- Need to consider ongoing role (between Reset – next 2-3 years) and meeting frequency.
- Participation by members can be disappointing – should have 'two strikes and out' rule for non-attendance.
- Access to SAPN and information that is not explained in the media – energy sector is highly complex.
- Identify engagement topics and involvement – develop ongoing role vs just Reset.
- Topic based engagement eg. prices, connections.
- SAPN needs to determine if the benefits of engagement outweigh the costs.
- Opportunity to avoid criticism eg. under-expenditure.
- Aligns with AERs consumer engagement principles.

7. Discussion & Other Business

Any other suggested topics to be sent to A Lewis, alexandra.lewis@sapowernetworks.com.au

The meeting closed at 11.00am

Next meeting: TBC – 2019

Agenda items:

- Tariff Structure Statement – proposal for small and large customers
- Demand Tariff Operational Times for Residential and Small Business Customers.

Action items

| Meeting | | | | |
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| No. | Action Description | Responsibility | Due Date | Status |
| 1 | Terms of Reference to be updated and distributed. | A Lewis | May 2017 | Complete |
| 2 | Seek representation from other organisations to sit on the Business Reference Group. | A Lewis | May 2017 | Complete |
| 3 | Approach Pat Gerace, UDIA or Ian Horne, AHA to sit on the CCP. | D Schmidt | May 2017 | Complete |
| 4 | KPIs to be updated to reflect discussion and distributed for comment. | J Vonthethoff | May 2017 | Complete |
| 5 | Next meeting to be held at the Network Innovation Centre and organise a tour for interested members. | A Lewis | June 2017 | Complete |
| 6 | Email tariff questions for consideration as part of tariff strategy | A Lewis | Feb 2018 | Complete |
| 7 | Retailer discussions | A Lewis | Sep 2018 | Complete |
| 8 | JB to discuss with GMc on how the Ausnet variation for tariffs would work – TSS | J Bennett | Feb 2018 | Complete |
| 9 | Victoria RAB growth numbers to be provided to RG members for consideration | J Bennett | Aug 18 | Complete |
| 10 | JC to forward ESCOSA survey to Andrew McKenna | J Caruso | Aug 18 | Complete |
| 11 | Details of the Federal Governments Tax inquiry to be provided to RG members | J Bennett | Aug 18 | Complete |
| 12 | JB to forward average business price increases | J Bennett | Aug 18 | Complete |
| 13 | Copy of presentation about ACCC Retail Price Inquiry to be emailed to the group. | A Lewis | Aug 18 | Complete |
| 14 | Adelaide Airport solar query | J Caruso | Oct 18 | Underway |
| 15 | Sporting Ground tariff and demand management – CIT to provide info to SAPN | J Caruso/ S Charlton | Oct 18 | Underway |
| 16 | Dairy industry query re usage and meter reading issues | J Caruso | Oct 18 | Complete |
| 17 | Sporting Ground tariff – SAPN to consider in future TSS | J Bennett | 2019 | |
| 18 | ElectraNet timing on SA-NSW interconnector – update to be provided to BRG | D Schmidt | Early 2019 | |
| 19 | Roadworks coordination contact person details to be provided | D Schmidt | Early 2019 | |
| 20 | Levels of Service and benchmarking | A Lewis | Early 2019 | |
| 21 | SA Water Pilot Project – negotiated outcome to be monitored by BRG | D Schmidt | Early 2019 | |
| 22 | Metering/ Smart Meters – AEMC | J Caruso | Early 2019 | |