

Minutes



SA Power Networks' Customer Consultative Panel

Meeting Details

Organiser	Rebecca Reed
Date	29 October 2018
Time	12.30pm – 4.00pm
Location	Adelaide Pavilion, South Terrace

Attendance

Sue Filby	Chair
Jenny Marwood	Community representative
Kelvin Trimper	Arborist Reference Group Rep
Mark Henley	Uniting Communities
Wendy Shirley	SAFCA (Community Reference Group Rep)
Louise Benjamin	Consumer Challenge Panel Member (<i>by conference call</i>)

SA Power Networks	(SAPN)
Sue-Ann Charlton	General Manager Customer Relations
Doug Schmidt	General Manager Corporate Strategy
Richard Sibly	Head of Regulation
Rita McPhail	Manager Customer Programs and Engagement
Jess Vonhethoff	Manager Stakeholder Engagement
Rebecca Reed	Customer Consultation Lead
Fiona Hewlett	Minute Secretary

Apologies

Heather Smith	Changing Weather (Renewables Reference Group Rep)
Iain Maitland	Ethnic Communities Council of NSW
Pat Gerace	UDIA (Business Reference Group)

Not present

Lynne Gallagher	Energy Consumers Australia
James Lescohier	Community representative

Business Arising

1. Welcome

- The Chair welcomed members to the meeting and apologies were noted.
- The Minutes of Meeting of 3 July 2018 were accepted as a true and correct record of the meeting.

2. Around the table

Wendy Shirley:

- Confirmed that she had communicated the outcomes of the CCP Submission on the Draft Plan to the Community Reference Group.

Mark Henley:

- Presenting at the Select Committee (led by Senator Tim Storer) re prioritising the installation of PV for landlords providing low cost housing.
- Australian Energy Regulator's (AER) work on the value of customer reliability. S Filby requested the Terms of Reference for this group. J Vonthethoff confirmed that information will be distributed to CCP members. **ACTION: J Vonthethoff to circulate details of the AER review.**
- AER recommendation to provide \$42m on education to assist low income households with their energy costs.
- The state government has sent a media release today re the commencement of its battery program. 40,000 batteries, with subsidies up to \$6K. 3 sizes the consumer can opt for.

Louise Benjamin:

- AER tariff team has picked up momentum after the release of the ACCC report. The AER is keen to explore what modelling is needed to determine which customers are most impacted by the tariff reform.

Jenny Marwood:

- Raised the issue of cyber security, in particular with cloud storage. L Benjamin explained that the cyber security legislation and privacy laws prevent certain information from being stored offshore – however Australian cloud storage may be used.

Kelvin Trimper:

- Provided an update on the work of the Arborist Reference Group (ARG).
 - A list of five recommended species to be used as suburban 'street trees' and in populated rural areas is being finalised. These trees require minimal/no pruning. Not all five species are native to South Australia and the cost and availability of bringing it from other states is to be assessed. Also bio security laws are tightening to further complicate this. This is a collaborative effort by local government, arborists, nurseries and other experts.
 - The ARG has provided 13 recommended amendments in preparation for the Electricity (Principles of Vegetation Clearance) Regulations 2010 review. The final discussion paper is due early 2019.**ACTION: K Trimper (via SAPN) to circulate the draft amendments to CCP members.**
- M Henley asked what impact bringing forward the bushfire season has had on the tree program. A Lewis responded that there has been minimal impact.

Jenny Marwood:

- Has provided an individual (private citizen's) response to the Draft Plan 2020-2025, separate to the response that was submitted by the CCP. She was satisfied with SAPN's consultation process, felt that SAPN has been transparent and upfront and consulted as widely and thoroughly as was possible. She did not agree with some of the comments in the submission of the CCP and therefore wanted to make it clear that her views were different.
- J Marwood is pleased that the CCP is working with the ACCC and taking on the retailers on pricing issues.

Sue-Ann Charlton:

- Provided an update on Metering Contestability (MC). SAPN has held workshops with retailers and the NECA (National Electrical and Communications Association) to ensure that the review process is customer centric. The B2B process is ideally suited to the way SA electricians currently work. Retailers were unprepared for the changes and challenges resulting from MC.
- SAPN has drafted a metering process map and will enlist the help of retailers to finalise this process. A further workshop with retailers is being held on 29 November.



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- Discussed the structure of fines for delayed connections.

Richard Sibly:

- Waiting for the AER discussion paper on productivity. Tax allowance paper may be out this week, with ESCoSA Service Standard framework and AER's Final Rate of Return Guideline being released in December.
- Repex workshop with the AER next week.
- Ongoing dialogue with the AER about the Draft Plan 2020-25

3. Presentation: Levels of Service (K. Scott/A. Lewis)

A Lewis summarised the development of SAPN's Levels of Service, the consolidated levels of service categories and the intent of the proposed measures. 34 levels of service in total proposed, with the following being reviewed at the CCP meeting:

1. Customer satisfaction
2. Telephone calls
3. Customer connections delivered to agreed date
4. Minor connection quotes
5. Other connection quotes
6. Frequent planned interruptions
7. Average interruption duration (SAIDI*)
8. Average interruption frequency (SAIFI**)
9. Region based reliability targets
10. Region based restoration targets
11. Customer satisfaction with vegetation clearance
12. Planned work completed within specified timeframe
13. Number of planned interruptions cancelled without four business days notice
14. Relative performance efficiency compared to other Australian network distributors
15. Rate of average annual asset renewal

Members were asked to rate the importance of each level of service (scale of 1-3) on a survey and return to A Lewis on completion.

ACTION: Complete list of Levels of Service to be distributed to members. (A Lewis)

Discussion followed:

- K Trimper asked that the rating included the geographic location of respondents.
- Connecting customers on time – K Scott advised that last year's performance determined the target.
- Members questioned the process if there was an emergency. R Reed confirmed that *option 1* is for 'life threatening' calls.
- S Charlton – in most cases the electrician is seen as the customer (since they are generally the customer's agent). SAPN notifies the electrician when a connection is ready for the retailer to connect the meter.
- Connection quotes – separated out residential (minor) and non-residential. K Trimper warned the term 'minor' could be misunderstood as meaning 'insignificant'. SAPN to look at changing this internal definition.

ACTION: R Reed to develop a process map for customer connections and will liaise with K Trimper for his input. (R Reed)

- Frequent planned interruptions – customer exposed to more than 1 power interruption in a week. SAPN's internal directive stipulates no more than 1 planned interruption per week for a customer. Discussed the difficulty in interrogating the data to get this information. Other measures are SAIDI (*avg number of minutes per year a customer is without electricity for unplanned interruptions).



SAIFI (**avg number of times per year a customer is without electricity for all unplanned interruptions).

- Region based reliability and restoration targets – K Trimper requested this data be presented on a map.

ACTION: K Scott to provide to K Trimper.

- Customer satisfaction with vegetation clearance – A Lewis stated there is limited data at the moment with definite opportunities to improve. After vegetation clearance in an area, survey to be distributed to gauge satisfaction.
- Asset renewal – how useful is the data? If there have been storms that year, with major asset repairs/replacements as a result, will this skew the figures? J Marwood asked if it were possible to separate those assets that have been repaired as a result of storm damage, rather than part of the asset renewal process.

ACTION: K Scott will investigate the feasibility of this.

The CCP agreed to receive an update on the Levels of Service on an annual basis, unless there is significant deterioration in any particular area.

4. Presentation: Regulatory Proposal 2020-25 update (Jess Vonthethoff)

J. Vonthethoff presented an overview of the draft plan feedback.

ACTION: full presentation to be provided to CCP members (J Vonthethoff)

- 32 feedback submissions received – all available for viewing on Talking Power website.
- In summary:
 - Positive
 - Positive initial steps in engagement
 - Approach to vegetation management, network maintenance and customer service
 - Support for 3 customer value areas
 - Fully utilised DMIA
 - Neutral
 - Tax allowance
 - Negative
 - High emphasis on reliability, not enough on affordability
 - SAPN CCP seeking more than \$37 saving
 - Capex: Repex, Augmentation, Non-Network IT, Property, Fleet, Telco
 - Cost per MWhr is increasing
 - Opex step changes
 - No productivity saving offered
 - Labour escalation
 - Non-solar customers paying more
 - Didn't meet expectations about collaboration/negotiation following launch of Draft Plan

Discussion followed:

- J Vonthethoff thanked the CCP members for their submission. J Vonthethoff raised concern over the CCP's engagement process comments and invited CCP members to explain where they feel the process has not been clear.
- M Henley commented re the CCP submission. Where some comments have been viewed as 'negative' the intention of the CCP was that they were offered as 'challenges'.
- J Marwood articulated her understanding of the CCP submission and challenged some of the comments.



- SAPN agreed that the types of tariffs in the Draft Plan could be misconstrued, particularly the 'Time of Use' tariff.
- Re the CCP comment on affordability, "SA consumers continue to face very high electricity prices...", J Vonthethoff was disappointed that the submission failed to acknowledge SAPN's past behaviour and performance in relation to limiting any price increases to CPI.
- M Henley stated that there was clear data showing SA power prices have gone up dramatically. S Charlton responded that the Draft Plan relates to networks costs which have not gone up significantly, that SAPN has kept prices below CPI. S Filby then responded that it was made as a general comment about the price of electricity, not specifically network prices, however she does understand the point being made by SAPN.
- In response to the comments about the engagement process, J Vonthethoff said that from her perspective SAPN was clear on the consultation process and timeframes. However, she acknowledged that the timeframes were tight and that in future SAPN will clearly communicate where engagement activities sit within the IAP2 engagement spectrum.
- W Shirley commented that because of the short timeframe to provide the feedback submission on the Draft Plan, it put the CCP group under huge pressure to formulate a response. If SAPN had wanted a fully educated submission, there had to be time to ask further questions and gather more evidence.
- M Henley said it was not clear whether the submission was to respond to the Draft Plan in isolation, or to include information provided at the deep dive sessions. The Draft Plan was an abridged version of the proposal that would go to the AER and was simply not comprehensive enough. When the group requested more information, they were told to refer to the deep dive session information.
- K Trimper – the consultation process began in a strong, collaborative and proactive way. But it was not a truly collaborative partnering process across all topics. He questioned if there was still time for more detailed discussions, to represent our customers properly.
- J Marwood commented that the group was given the opportunity to inform the proposal throughout the deep dive sessions and did not feel it was appropriate to ask for further input on the proposal at this late stage. Jenny referred members to point 1.2 in the CCP Terms of Reference, '*the panel is not intended to be a joint decision making forum*'.
- D Schmidt confirmed that they will consider all feedback from the submissions from all parties in order to refine and improve their regulatory proposal before submitting to the AER.
- K Trimper suggested that SAPN consult with the CCP and Reference Groups sooner in the process in future. Also that some issues would benefit from community task groups and regional reference groups, in addition to the CCP and reference groups. Where possible, independent chairpersons should be appointed. SAPN to consider what model it wants for engagement, eg collaborative, like the Arborist Reference Group?
- M Henley asked for SAPN to consider what it wants from engagement – to help solve problems, invite new thinking, provide challenges, other?
- Doug Schmidt: In response to the SAPN CCP recommendation that SAPN should communicate where it wants to be along the IAP2 spectrum, SAPN advised that:
 1. *In future consumer engagement exercises SAPN will communicate the position of engagement along the IAP2 spectrum.*
 2. *Future engagement exercises will also include a mechanism for consumers to raise and resolve issues/concerns regarding the engagement.*
 3. *In early 2019, SAPN will review the structure and operation of its Consultative Panel and Reference Groups with a view to improve their representation and effectiveness moving forward. SAPN will involve the CCP and Reference Groups in this process.*

Agreed next steps:



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- CCP members to discuss their Draft Plan feedback submission offline, taking into consideration the discussion at the meeting, and provide a response to SAPN.
 - CCP to reconvene late 2018/early 2019 for a regulatory proposal update.
ACTION: placeholders to be sent to CCP members. (J Vonthethoff)
 - R Sibly requested clarification on what further information/evidence was required by the CCP. S Filby confirmed that the group would be happy to meet with SAPN to clarify any matters/comments.
 - Members requested that the draft minutes of the meeting are made available to them within one week.

The Chair thanked everyone for attending.

Meeting closed at 15.50pm. Next meeting: TBC