



# Greenfields connections — customer service standard

December 2020

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## 1 Introduction

Electricity distribution businesses, CitiPower, Powercor and United Energy supply power to a region spanning 65 per cent of Victoria including some of the highest growth areas for residential development.

We therefore welcome the opportunity to engage with industry to develop a greenfield negotiated electricity connection customer service standard in line with the Essential Services Commission (ESCV) objectives:

- continuous improvement and building effective business relationships between distributors and developers and their contractors to resolve issues that cause delays in the negotiated electricity connection process
- accountability and transparency about the time it takes distributors to complete certain stages or steps of the negotiated electricity connections process.

This initiative builds on service improvements already delivered since the ESCV's review of connections processes for new residential housing developments in 2018. Our commitments to these improvements have involved streamlined processes, changed operating structures and greater direct engagement with the development industry through quarterly meetings.

In developing this customer service standard, we used the five key engagement principles recommended by the ESCV. Our engagement sessions were clear, accessible and designed to receive and consider feedback from developers and their contractors in a timely manner.

To ensure our engagement with industry was thorough, beneficial and efficient for developers and contractors, we consulted on each of our three distribution networks simultaneously. It was agreed by industry that the majority of the connections issues experienced were in relation to CitiPower and Powercor processes. However, our engagement and the resulting customer service standards are designed for CitiPower and Powercor as well as United Energy as distinct operations.

In line with industry feedback, we have drafted separate outcomes and performance measures for CitiPower, Powercor and United Energy. All three networks will use the same principles and terms of reference for the customer consultative committee.

## 2 Engagement process

### 2.1 Engagement plan

Within the timelines set by the ESCV, we consulted with the Urban Development Industry Association of Victoria (UDIA) to determine the best engagement process that would allow broad industry feedback and involvement.

Due to COVID-19 restrictions, online facilitated workshops and sharing of draft documentation for feedback was agreed as the best engagement methodology. Workshops were held over Microsoft Teams, and industry representatives included a range of developers, consultants and contractors. The UDIA and the Property Council of Victoria determined the workshop attendees.

In collaboration with the UDIA and Property Council of Victoria, the following engagement program was agreed.

**Table 1 2020 engagement program**

Date	Action	Description
21 October	Workshop 1	Initial workshop to consult with representatives and broadly understand their electricity connection issues within the framework provided by the ESCV
10 November	Workshop 2	Building on the first workshop, begin framing the outcomes, principles, terms of reference and performance measures
16 November	Preparatory meeting	Preparatory meeting with the UDIA and Property Council of Victoria to discuss and agree the structure for workshop 3 and to understand industry expectations on consultation and feedback across our three networks
17 November	Workshop 3	Having consulted with select industry representatives, broaden out the industry representation to review the draft outcomes, principles, terms of reference and performance measures for further consultation and consideration
23 November	Draft 1 for review	Distribute a draft of our customer services standards to industry representatives for review
27 November	Draft 1 response	Deadline for industry feedback on our draft standards
30 November	Final consultation (optional)	Additional session with industry representatives if required to discuss the feedback received
4 December	Submission	Final customers services standards submitted to ESCV

## 2.2 Workshop structures

Before the workshops, industry representatives were provided with a detailed agenda. Each workshop built on the previous workshop with the objectives set out below.

**Workshop 1:** Understand the industry’s concerns, where they were looking for improvement and any ideas on what that improvement was and how it could be achieved

**Workshop 2:** Framing the outcomes of workshop 1 into the ESCV’s four deliverables:

1. A customer outcomes statement
2. Principles to guide our interactions with customers
3. Terms of reference for ongoing customer consultation and a customer consultative committee
4. Performance reporting measures

**Workshop 3:** Involving a broader range of stakeholders (including those who had attended the previous workshops) to refine the proposed deliverables with the aim of structuring the feedback to be shared with all workshop participants in document form.

### 2.2.1 Industry representatives

The industry representatives who attended each of the workshops in shown in the table below.

**Table 2 Industry representatives at workshops**

Representative	Organisation	Workshop 1	Workshop 2	Workshop 3
Danni Hunter	UDIA			✓
Jill Lim	UDIA/Frasers Property	✓		✓
Anthony Grodzki	ALDE	✓	✓	
Dino Strano	Winslows	✓		
Sam Nettelbeck	Plan B	✓	✓	✓
Tony Ilijoski	ALDE	✓	✓	
Greg Bursill	UDIA/Lovely Banks			✓
John Forbes	Dennis Corp			✓
Stephen Watters	SMEC			✓
Henry Pike	Property Council			✓
Alex Harvey	Property Council			✓

### **2.3 Documentation provided to industry**

Copies of the documentation provided to industry are included in the appendices of this customer services standard. These documents include agendas, minutes, and draft versions of the customer service standard.

### 3 Customer services standard

#### 3.1 CitiPower and Powercor customer outcomes statement

CitiPower and Powercor and the residential development industry aim to achieve the same result: safe, secure and reliable power for residents.

To achieve this while ensuring that connections are timely and Victorians can move into their new homes promptly, CitiPower and Powercor and the industry representatives agreed to work together to achieve an overall reduction in the timelines across the design and audit process. CitiPower and Powercor and industry have agreed on the following outcomes:

##### **Time reduction in the final stage**

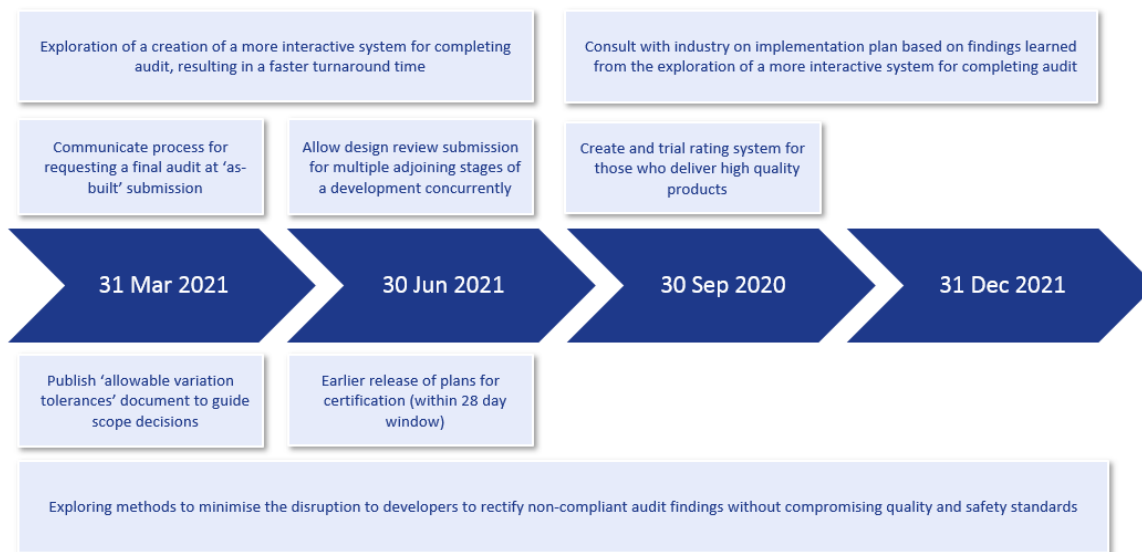
A reduction in the turnaround time on Greenfield projects between when the development either receives practical completion from the local Council or the local Council deems the work completed following a Council inspection and when CitiPower and Powercor consents to the issue of the Statement of Compliance.

##### **Continued focus on process efficiency**

A continued focus on reducing the overall time across the audit process. This will be delivered through a customer-focused approach at all stages of the approval process. CitiPower and Powercor will look to recognise and reward consistent high quality and safe work of contractors and consultants through fast approval processes. The time saved will be allocated to working with developers and contractors that need more assistance to improve the quality of their connection work.

To achieve these outcomes in two years, CitiPower and Powercor and the industry have agreed on the following step changes that will be implemented during the next two years. CitiPower and Powercor will be held accountable for these changes through the quarterly customer consultative committee meetings:

**Figure 1 Timeline of step changes to CitiPower and Powercor process in 2021**



In terms of exploring the creation of a more interactive system for completing audit, resulting in a faster turnaround time, this may include:

- an agreed method to provide the accreditation (based on performance)
- agreement that CitiPower and Powercor can provide the accreditation, or CitiPower and Powercor can delegate that authority to a third party
- understanding from industry the accreditation can be removed due to poor performance at audit
- understanding from industry that de-accreditation due to poor performance may delay projects involving that developer/auditor
- working with industry to improve the skills/experience of Victorian Electrical Distribution Networks (VEDN) and Victorian Electricity Supply Industry (VESI) auditors engaged by industry to move towards a process of acceptance of external audit (backed up by several provisions including random CitiPower and Powercor spot audits, a stringent process for achieving and maintaining accreditation as an external auditor, suitable guarantees for quality).

### 3.2 United Energy customer outcomes statement

United Energy and the development industry are committed to maintaining a strong working relationship to deliver a small but important number of electricity connections each year. United Energy will continue to seek improvements in its due diligence process to maintain and where possible, improve timelines without sacrificing the delivery of safe, secure and reliable power for residents.

By engaging with industry, United Energy will work to refine internal processes to reduce the effort on the part of developers and their contractors to progress through a contestable project lifecycle. An



improvement opportunity identified through our consultation has been a review of United Energy's early release of statement of compliance process. This will seek to streamline the way developers can be granted this early release without having the onus on them to specifically request it for each development.

### **3.3 CitiPower, Powercor and United Energy principles**

To achieve the performance metrics, the Victorian development industry and CitiPower and Powercor and United Energy have agreed to the following principles. These principles will guide our interaction over the next two years as we continue to deliver for our development customers while improving our service and working towards achieving our agreed performance metrics.

Together, we have agreed to the following principles to guide our interaction with developers and contractors in relation to underground connections in new residential developments in greenfield areas:

- The safe connection of reliable electricity supplies to their new property is the ultimate expectation of our mutual customers
- The safety and stability of the network is essential to delivering these customer outcomes
- Commitment to working together to continue to reduce timeframes for the overall connections process and understanding that this may require changes to the current process and targets deployed by both industry and the networks
- Provide a collaborative and flexible framework to these issues on the expectation that is the most proactive way to yield the positive results across industry
- Maintain open communication and regular forums and reviews while maintaining clear communication pathways between decision-makers on both sides
- Improve communication and accountability between the distributors and developers to present clear timelines, requirements and key milestones in each project
- Work with industry to provide guidance on industry-led development and training of contractors and consultants.

## **4 Customer consultative committee**

Following consultation between industry and CitiPower and Powercor and United Energy, it was agreed that a customer consultative committee would be established under the following terms of reference.

### **4.1 Terms of reference**

This section sets out the terms of reference for the CitiPower, Powercor and United Energy greenfield estates electricity connection customer consultative committee.

#### **4.1.1 Purpose**

The customer consultative committee has been established to support the ESCV's customer service standard and seeks to provide open communication and accessibility between the development industry, contractors and consultants and CitiPower, Powercor and United Energy.

#### **4.1.2 Term**

This terms of reference is effective from 4 December 2020 and will be ongoing until terminated by agreement between the parties.

#### **4.1.3 Membership**

Individuals who attend the committee sessions will change but always include representatives of:

- CitiPower, Powercor and United Energy
- Urban Development Institute of Australia (Victoria), Greenfield Development Committee
- Property Council of Victoria
- The Association of Land Developer Engineers
- Civil Contractors Foundation (CCF)
- consultants and contractor representatives not formally part of an industry body.

#### **4.1.4 Roles and responsibilities**

As agreed during the consultation period, the four functions of the group are:

- identify opportunities to further streamline the greenfield estate connections process
- implement the identified opportunities
- provide a forum for raising issues and information sharing
- review quarterly reporting on performance outcomes achieved against agreed timelines.

The membership of the customer consultative committee will commit to:

- providing a representative to attending all scheduled meetings
- sharing all communications and information with their broader industry body and members
- making timely decisions and taking action.

Members of the advisory group will expect:

- to be provided with complete, accurate and meaningful information in a timely manner
- to be given reasonable time to make key decisions
- to be given reasonable time to implement any actions
- to be alerted to potential risks and issues that could impact the agreed outcomes, as they arise
- open and honest discussions, without resort to any misleading assertions
- ongoing 'health checks' to verify the overall status and 'health' of the committee.

#### **4.1.5 Meetings**

- All meetings will be chaired by CitiPower, Powercor and United Energy
- Decisions will be made by consensus with the involvement of the ESCV should the committee be unable to determine an outcome independently
- Meeting agendas and minutes will be provided by CitiPower, Powercor and United Energy within 20 days of the meeting occurring, this includes:
  - preparing agendas and supporting papers
  - preparing meeting notes and information
  - a report on the agreed customer service standard outcomes and status of their progress
  - an update on connection timelines and performance measures.
- Meetings will be held quarterly for two hours using Microsoft Teams and in-person if possible. If additional meetings are required outside of these times it will be conducted at a time convenient for members
- Meeting minutes and supporting papers or reports will be made available on the CitiPower, Powercor and United Energy websites for ease of access to all industry members.

#### **4.1.6 Amendment, modification or variation**

These terms of reference may be amended, varied or modified in writing after consultation and agreement with the members of the committee and the ESCV.

## 5 CitiPower and Powercor performance reporting

The targets outlined below are based on consultation with industry and the mutual understanding that the proposed changes will take time to be implemented and involve continued consultation. CitiPower and Powercor will work through the customer consultative committee to track the progress of the metrics listed below.

The timeframes are calculated from the date the distributor has received a request with all relevant information, including any further information requested to remedy a deficiency in the information provided, or any further information requested by the distributor to enable an assessment of the application.

**Table 3 CitiPower and Powercor performance metrics (timeframes from date of request with all relevant information)**

Metric	Description	2020 target (business days)	2021 target (business days)	2022 target (business days)	Additional measures
<b>Master plan review</b>	Master plans show how a new staged development will ultimately connect into the distribution network	10 days (average days)	70% reviewed with 10 days	80% reviewed with 10 days	None proposed
<b>Design review</b>	Design plans show, amongst other things, how each lot is connected to the network and the clearances between the electrical infrastructure and other services	20 days (average days across a six month period)	18 days (average days across a six month period)  (assumes fast track system in place <sup>5</sup> )	16 days (average days across a six month period)  (assumes fast track system in place <sup>5</sup> )	Explore with industry specifying a % to be reviewed within a certain time <sup>3 &amp; 4</sup>  Number of design reviews required per project/estate  Explore with industry the prospect of a fast track system that allows design houses that achieve a certain threshold the opportunity to fast track design review  Pass rates by provider <sup>6</sup>

Metric	Description	2020 target (business days)	2021 target (business days)	2022 target (business days)	Additional measures
<b>Requested final audit (first audit)</b>	Final construction audit undertaken by CitiPower and Powercor	8 (average days)	70% within 6 days (Audits performed within the defined no. of days over a six month period)	70% within 6 days (Audits performed within the defined no. of days over a six month period)	Number of audits required per project/estate  In consultation with industry this stage/target may be removed due to changes in the audit process
<b>Countersign certificate of practical completion</b>	Time taken to countersign (or reject) certificate of practical completion after submission	Within 10 days (average days)	90% within 5 days (over a six month period)	90% within 5 days (over a six month period)	
<b>Tie in</b>	Upon practical completion time taken to plan outages & works, undertake construction tie in and energise.  (see note 1)	20 days <sup>1&amp;2</sup> (average days)	20 days <sup>1&amp;2</sup> (average days)  or  greater than 90% of agreed contract dates	20 days <sup>1&amp;2</sup> (average days)  or  greater than 95% of agreed contract dates	None proposed

Notes:

1 – 20 day tie-in target applies only when developers request tie-in at audit request stage and pass audit at that point.

2 – No development elected to use the 4 week option in 2020.

3 – Note that CitiPower and Powercor prioritises quicker turn around for design approval at developers request as part of a flexible working arrangement

4 – Potential changes to accreditation of design providers may lead to streamlined turnaround timeframes for better performing providers

5 – A fast track model proposes design house submissions are reviewed according to ongoing performance

6 – If allowed from a commercial confidentiality perspective

**Table 4 Proposed additional metrics (timeframes from date of request with all relevant information)**

<b>Metric</b>	<b>Proposed measure</b>	<b>2021 target (business days)</b>	<b>Further notes</b>
<b>As built turnaround timeframe</b>	Time taken to review as built drawings once submitted to CitiPower and Powercor	8 days average <sup>1</sup> (to apply from H2 2021)  70% within 5 days <sup>1</sup> (to apply from H2 2021)	Note that one of the areas under exploration is the ability to request an audit in parallel with as built submission
<b>Period between practical completion and statement of compliance</b>	Period of time between contractor achieving practical completion and CitiPower and Powercor consenting to Statement of Compliance	This is to be further discussed with industry due to complications of measuring this with standard & reliable data	Agree to standard definition of PC with industry  This is the key metric to help achieve the customer outcome statement regarding SoC.  Note that this will be a moving metric through the period as improvements are actioned
<b>VEDN audit success rate</b>	Correlation between passed VEDN audit and CitiPower and Powercor final audit.	% correlation per estate  Breakdown by audit provider  Note: This is not a target	This measure will help determine quality of VEDN audit and ability to move towards a self-audit model

Notes:

1 – As built plans submitted with variations subject to an additional 2 days delay

## 6 United Energy performance reporting

United Energy’s contestable delivery model differs from that of CitiPower and Powercor. The feedback from industry was positive with current timelines deemed satisfactory. The only suggestion for an improvement to United Energy’s process related to a process change in how the developer can be granted an early release of statement of compliance.

Based on the positive feedback received through consultation United Energy is not currently proposing to modify the delivery stages or target timeframes in which United Energy’s activities will be completed. Please note the suggested improvement to granting early statement of compliance can be accommodated without changing the stages or target timelines.

**Table 5 United Energy performance metrics (timeframes from date of request with all relevant information)**

Stage	Description	Target (business days)
<b>Contestable offer</b>	Following receipt of a contestable application United Energy reviews the scope of works and issues a contestable offer and contract (project fees are payable)	20 days
<b>Master plan review</b>	Master plans show how a new staged development will ultimately connect into the distribution network	10 days
<b>Design review</b>	Design plans show amongst other things how each lot is connected to the network and the clearances between the electrical infrastructure and other services	20 days
<b>Authority to construct</b>	United Energy reviews <i>project specific information</i> (includes contractor details, works methodology and risk management plan), contractor insurances, and relevant personnel ESI training status, and grants authority for construction works to commence	10 days
<b>Authority to commission<sup>1</sup></b>	United Energy reviews evidence that contractor has completed pre-commissioning audits <sup>2</sup> and related activities (including as built detailing), and grants authority for the contractor to tie-in and energise	10 days

Notes:

1 – United Energy provides developers with an option for the early release of statement of compliance approval as part of granting authority to commission

2 – The final audit is part of the tie-in process which is managed by the developer’s contractor