

Victorian Power Network

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
Green	All initiatives delivered or all initiatives commenced and there is a low risk of incompleteness.
Amber	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.
Red	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	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.	
1. Improving developers and contractors understanding of the distribution business' policies and practices, or how they can influence them	Improve stakeholder consultation and communication	<ul style="list-style-type: none"> Developed a consolidated stakeholder management plan for all contestable works stakeholders Established the Contestable Works Consultative Committee (CWCC) meeting with key stakeholders. Drafted charter for CWCC and sought industry feedback Held first CWCC meeting in March 2019 (minutes can be found on our website https://www.powercor.com.au/industry/supplier-resources/contestable-works/whats-new/) Developed and launched dedicated contestable works webpage https://www.powercor.com.au/industry/supplier-resources/contestable-works/ A new email address (contestable@powercor.com.au) has been created and is provided for complaints and escalations on the new webpage. 	<ul style="list-style-type: none"> The stakeholder management plan to be reviewed annually Contestable Works Committee Meetings will be held quarterly Incorporate feedback on CWCC charter Next CWCC meeting planned for 4th June We will continue to seek feedback from industry and update the website as required. 	On-going

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			
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			
	Clarify end to end connection process	<ul style="list-style-type: none"> Documented the end to end Option 2 process and uploaded this to our website https://media.powercor.com.au/wp-content/uploads/2018/12/14160510/Customer-Managed-Tender-Process-Guide-for-Customers-and-Contractors.pdf Developed and implemented new customer first contact email which now includes info to guide their application 	<ul style="list-style-type: none"> Completed 	Completed
	Revise and update our Contestable Works Agreement (CWA)	<ul style="list-style-type: none"> Completed initial review (internal) of the CPPAL Contestable Works Agreement (CWA). Outlined areas to update Defined timeline for delivery for updated agreement 	<ul style="list-style-type: none"> Q3 update of CWA agreement Q4 implement new agreement 	On-track

<p>2. Minimising avoidable delays in connecting greenfield developments to existing distribution networks.</p>	<p>Improve end to end connections management</p>	<ul style="list-style-type: none"> Established designated 'Contestable Works team' to expedite the connection of greenfield developments – all work transitioned to them Developed guide outlining each 'touch point' between CPPAL and the developer (and/or its representatives) including our anticipated timeframes (https://media.powercor.com.au/wp-content/uploads/2019/05/07121935/Contestable-Works-Powercor-Touch-Points-and-Anticipated-Timing.pdf) Commenced design of online portal for tracking project progress Master Planning: <ul style="list-style-type: none"> Reviewed process and agreed to make it contestable Developed process guidelines and circulated to industry for comment. Updated website to show Master Planning is now a contestable service. Tie in process <ul style="list-style-type: none"> Reviewed process and identified changes to reduce timeframes Commenced trial on selected projects 	<ul style="list-style-type: none"> Present guide to members of the CWCC for comment/feedback at June Meeting Continue with design of online portal. Review and incorporate industry feedback for Master Planning process Develop accreditation for Master Planning Finalise new tie in process trial and pending results implement process changes 	<p>On-track</p>
	<p>Establish performance targets</p>	<ul style="list-style-type: none"> Established targets (refer Table 2) Developed progress reporting capability Our contestable works team is now managing and reporting on our contestable works portfolio. Reports have been developed for internal performance. 	<ul style="list-style-type: none"> Develop external reporting and make available on website 	<p>On - track</p>

Publish regular performance reports

- Our website was updated in December 2018 with a flow chart to document our end to end option 2 process
- Developed manual reporting of current performance to these targets (as shared with ESC)
- Uploaded Q1 audit results and trends report to website.
<https://www.powercor.com.au/industry/supplier-resources/contestable-works/whats-new/>
- Q1 2019 contractor audit ratings released
- Capturing performance information for first bi-annual performance report to be released in July 2019

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			
3. Improving how technical standards are managed and communicated.	Establish technical standards committee	<ul style="list-style-type: none"> Drafted Technical Standards Committee Terms of Reference and circulated for feedback 	<ul style="list-style-type: none"> Finalise Terms of Reference Hold first governance committee meeting 	Commenced
	Identify opportunities to harmonise technical standards across the Victorian DBs	<ul style="list-style-type: none"> Undertaken preliminary assessment and identified civil construction as primary focus Finalise review scope Engaged consultants to undertake analysis across DB technical standards to identify ways to 'harmonise' civil construction related standards 	<ul style="list-style-type: none"> Undertake analysis review and develop improvement plan 	On-track
	Develop and communicate guide to CPPAL/UE Option 2 related technical standards	<ul style="list-style-type: none"> Reviewed historical material and current website information 	<ul style="list-style-type: none"> Draft guide and publish on website 	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			
4. Reviewing and improving audit process and practices	Improve audit processes and practices	<ul style="list-style-type: none"> Improved audit processes: <ul style="list-style-type: none"> Stopped 'walk-away' policy Complete all above ground audit items on first audit 2 auditors attend larger audits Implemented escalation process for multiple failed audits 	<ul style="list-style-type: none"> Develop on-line booking and tracking system 	On-track
	Establish and communicate performance targets	<ul style="list-style-type: none"> Established audit performance target time frame of 5 to 8 business days from compliant request Established re-audit performance target timeframe of 8 to 10 business days 	<ul style="list-style-type: none"> Communicate performance to stakeholders at CWCC 	On-going
	Publish regular performance reports	<ul style="list-style-type: none"> Developed and published audit performance report for Jan and Feb 2019 https://media.powercor.com.au/wp-content/uploads/2019/05/03152959/March-2019-Quarterly-Audit-Results-Trends.pdf Shared audit report and trends at CWCC forum 	<ul style="list-style-type: none"> Update and improve reporting for publishing on website Upgrade performance reporting 	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			
5. Promoting efficient competition in connection services	Conduct a review into opening more step in the connection process to contestability	<ul style="list-style-type: none"> • Undertaken a review of the contestability framework • Final copy of the connection contestability report sent to ESC for review • During the AER's service classification process, we submitted service classifications that accommodate competition. 	Completed	Completed

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	Take steps to improve timeliness of connections (people, process and system)	<ul style="list-style-type: none"> Key steps outlined within initiatives 1, 2 and 4 	<ul style="list-style-type: none"> Implement steps outlined in Sections 1,2 and 4 	On-track
	Ensure that the right resources are in the right places to meet our commitments	<ul style="list-style-type: none"> Established designated contestable works team to improve performance and meet commitments Increased audit resources 	Implement steps outlined in Sections 1,2 and 4	On-going

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 (business days)	Performance against Target ^{1,2}	Detail
Scoping Process	Q1 – 2019	29	Open to contestability	Process change proposed to allow developer to submit these plans to CPPAL for approval. Expected to take effect in 2H CY19
Design Approvals	Q1 – 2019	19	Target = < 20 business days	
'As Built Construction Audit'	Q1 – 2019	5	Target = 5 to 8 business days	
Grant Practical Completion	Q1 – 2019	1	Target = < 10 days	
Construction 'tie-in'	Q1 – 2019	45	Target = < 20 days*	The proposed changes to construction tie-in process that allow us to achieve 20 business days

Measure (KPI)	Reporting timeframe	Result (business days)	Performance against Target ^{1,2}	Detail
				<p>or less are yet to be implemented. We will be running a trial of the new process in first half of CY19. Pending success, it is expected that we implement this across the network in 2H CY19</p>

1. For the avoidance of doubt the performance targets are measured as the time (in business days) that the activity is the responsibility of CPPAL (as opposed to elapsed time) and does not include instances where incomplete information is provided, or additional work is required before CPPAL is able to make an assessment or carry out its responsibilities.
2. There may be instances where a longer time frame than the above target is negotiated with a developer (or their Agent). These instances will be reported on separately and we will track our delivery to the negotiated timeframe.

*Target is 20 days (or under) or as negotiated with developer.

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
<p>1. Improving developers and contractors understanding of the distribution business’ policies and practices, or how they can influence them.</p>	<p>Each distribution business will improve communications and customer focus by:</p> <ul style="list-style-type: none"> • ensuring website material is consistent with practices. • clearly explaining each party’s roles and responsibilities under the regulatory framework. • 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) • 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. <p>Establishing a consultative panel (committee) including developers to discuss and resolve matters related to electricity connections. This committee could be dissolved once confirmation is made that issues described above have been addressed.</p>

Continued next page

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"> • making the processes and reasons for delays transparent • establishing a clear process for developers to raise persistent complaints, or for addressing them 	<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"> • setting target timeframes for specified stages of the negotiated connection process • developing meaningful KPIs for each timeframe target. For example 95% of a defined action to be completed within the target timeframe. <p>Publishing a regular performance report setting out:</p> <ul style="list-style-type: none"> • performance against the KPI • commentary on reasons if the KPIs are not met, and any corrective actions necessary. <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> <p>Exploring the development of a service level agreement (SLA).</p> <ul style="list-style-type: none"> • The SLA should be developed in consultation with stakeholders. • The SLA should be referenced or incorporated in Victorian distributors' connection policies as part of the 2021-25 network price determinations.

Continued next page

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"> • making standards across distributors consistent allowing for justifiable differences. • ensuring consistent interpretation of standards by different distribution businesses and auditors • improving certainty and transparency about which standards are applicable • ensuring timely consultation about changes to standards or their implementation. 	<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"> • harmonising standards where possible • providing a forum for raising issues and sharing information • issuing practice/policy guidance notes establishing principles to follow, identifying best practice or suggesting actions. <p>The Standards Committee will draw on practical experiences (including insights from the Victorian Planning Authority, and Commission reviews) to prioritise its work.</p> <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>

Continued next page

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"> • audit processes are efficient, transparent, fair, predictable, and protected from inappropriate influence. • appropriate pricing of audit services. 	<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"> • finishing audits even if it would be a fail • maximising opportunities for real time remediation of defects • auditing interim milestones and providing feedback to developers so as they can fix any defects before the final audit • including times for audit and re-audits within a service level agreement (discussed above) • adopting common audit process across all distribution businesses • increasing the number of auditors available (potentially through contestability). <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 reaudits 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 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).</p>

Continued next page

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>