

CUSTOMER ENGAGEMENT OUTCOMES REPORT

28 MARCH 2017

Company information

ElectraNet Pty Ltd (ElectraNet) is the principal electricity transmission network service provider (TNSP) in South Australia.

For information about ElectraNet visit

www.electranet.com.au

Copyright and Disclaimer

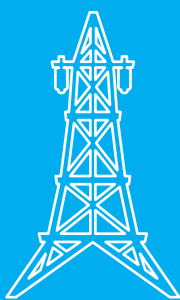
Copyright in this material is owned by or licensed to ElectraNet. Permission to publish, modify, commercialise or alter this material must be sought directly from ElectraNet.

ElectraNet, its directors, officers and shareholders' disclaim any responsibility for the use of this document for a different purpose or in a different context.

Reasonable endeavours have been used to ensure that the information contained in this document is accurate at the time of writing. However, ElectraNet, its directors, officers and shareholders' give no warranty and accept no liability for any loss or damage incurred in reliance on this information. Forecasts, projections and forward looking statements included in this document are subject to change and amongst other things, reflect information, data, methodologies, legislation, judicial and tribunal decisions, regulatory guidance, assumptions, prevailing market estimates, assessments, standards, and other factors current at the time of publication.

Contents

1. Executive summary	5
2. Context	7
3. Early engagement program	8
4. Our customer engagement program	12
4.1 Customer engagement journey	12
4.2 Consumer Advisory Panel	14
4.3 Consumer Engagement Plan	15
4.4 Design phase	16
4.4.1 Stakeholder mapping	16
4.5 Listen phase	17
4.5.1 Engagement topics	17
4.5.2 Engagement methods	18
4.5.3 Internal engagement	19
4.6 Interpret and respond phase	19
4.6.1 Consumer Advisory Panel Working Group	21
4.6.2 AER engagement	21
4.6.3 Events of 28 September 2016	21
4.6.4 Feedback process	22
4.6.5 Engagement outcomes	23
4.7 Ongoing engagement	23
5. Appendices	25
Appendix A Customer insights	26
Appendix B Directions and priorities	28
Appendix C Engagement topics covered in workshops	32
Appendix D Consultation feedback summary	34
Appendix E Key milestones and engagement activities	37



OVERVIEW



1. Executive summary

As the owner and operator of South Australia's electricity transmission network, ElectraNet has a crucial role to play in helping to ensure the safe, secure, reliable and affordable supply of electricity to the people, businesses and communities of South Australia.

In delivering this essential service, we are committed to genuine and meaningful engagement with electricity customers and wider stakeholders.

In 2015, we started to explore with a number of our key stakeholders our desire to pursue an improved approach to the development and assessment of our forthcoming Revenue Proposal for the 2019–2023 regulatory period.

The overall aim of this proposed approach was to deliver better outcomes through an improved engagement model based on a less adversarial approach to regulatory decision making.

With the support of the Consumer Advisory Panel¹ established by ElectraNet, and the Australian Energy Regulator (AER), this culminated in our early engagement program. This program is designed to promote effective engagement with our customers and stakeholders, build shared understanding, and provide customers and stakeholders with opportunities to provide feedback on our plans and priorities.

Our early engagement approach is a first for the industry and the AER, and forms a key part of our ongoing commitment to genuine engagement with customers and promoting a more collaborative approach to regulatory decision making.

This comes at a time of considerable challenge and change for the energy sector, when issues of security of supply, extreme weather events, electricity cost pressures and the impacts of an evolving supply mix are at the forefront of stakeholders' minds.

Under the guidance of the panel, our engagement program has seen us work most directly with customer representative groups and organisations as the most effective way to engage on transmission issues.

Importantly, the early engagement approach does not replace any aspects of the formal decision making requirements or processes of the AER under the National Electricity Rules. The full revenue determination process continues to apply.

Rather, the early engagement model is designed to better inform this process, by ensuring more thoroughly tested plans and proposals are developed, and that stakeholders have an opportunity to help shape these proposals to ensure the needs of customers are met.

This document outlines the range of customer and stakeholder engagement activities we have undertaken, the issues that have been raised, and how these findings and inputs have been incorporated into the Revenue Proposal.

ElectraNet would like to record its appreciation to all those who have participated in this program for their contribution, and in helping to shape our plans for South Australia's energy future.

¹ Throughout this document, the terms 'customer' and 'consumer' are used interchangeably to refer to users of electricity.



ENGAGEMENT



2. Context

South Australia is at the forefront of global changes sweeping the energy sector. The energy market in South Australia is undergoing significant transformation, characterised by ongoing growth in renewable energy sources, which is changing the way electricity is both produced and consumed. Growing challenges are also emerging in the form of price pressures and concerns over supply security.

South Australia's transmission network is characterised by several unique factors such as a more 'peaky' electricity demand and a wider geographic spread of customers than in networks elsewhere in the National Electricity Market (NEM). The network in South Australia is also relatively small and comprised of older assets than its counterparts interstate. These factors place added pressure on network costs in South Australia.

In this environment, the challenges of ensuring secure and affordable supplies of electricity are increasing. Given these trends and developments, customers have become increasingly interested in the factors

that influence both the price they pay for electricity, and the security of its supply. Customers are seeking both more information and a voice, with an ability to influence key decisions on the future directions and priorities for the supply of electricity in South Australia.

While only a small proportion of the end prices that customers pay (less than 9% for a typical household, or small business customer), the transmission network nevertheless plays a major role in South Australia's electricity supply. We therefore recognise that customers are seeking more information about the drivers of electricity costs and greater visibility of the role and impact of the transmission network.

We believe that our success requires a customer-centric approach, through continuing to work hard to reduce costs while maintaining the secure and reliable network expected of an increasingly connected and digital society. Building shared understanding with our customers and stakeholders is central to this objective.

3. Early engagement program

In December 2015, we worked with the Consumer Advisory Panel to develop our approach to customer engagement, in the form of a Consumer Engagement Plan. We have followed the principles and spirit of that plan, while recognising that the developing nature of customer engagement at ElectraNet has required the program to be flexible and adaptive during this time.

Our desire for deeper customer engagement lead to the development of our early engagement approach, which saw us expand our engagement activities beyond our customers and immediate stakeholders, to include representative organisations, indirect customers and the AER.

Importantly we also sought to bring together our stakeholders. During the course of this engagement we facilitated joint working sessions with members

of the Consumer Advisory Panel, the AER and its Consumer Challenge Panel (CCP) as observers allowing stakeholders to engage on topics together.

The primary objective of the early engagement approach was to ensure that the Revenue Proposal submitted to the AER was thoroughly tested by stakeholders and focused on the needs of customers. This engagement was not intended replace the formal revenue determination process, but rather to improve and better inform it through a collaborative approach to develop a more fully tested and understood set of proposal, with the aim of ensuring a more effective and efficient review process built on a level of shared understanding with stakeholders.



With the support of the Consumer Advisory Panel, in May 2016 the AER endorsed ElectraNet's proposal to embark on a much more extensive pre-lodgement consultation process². The early engagement approach was designed to deliver a number of key benefits for customers and ElectraNet, including:

- improved shared understanding of network challenges and customer concerns
- more targeted expenditure plans that better reflect customer preferences
- greater trust and confidence in regulatory outcomes
- increased certainty in regulatory outcomes with 'no surprises'
- reduced resources engaged in the current regulatory process

In addition, the early engagement approach is delivering further benefits for customers including:

- ensuring the opinions and needs of customers are known and understood
- more efficient use of time for stakeholders
- greater customer involvement in the process
- enhanced trust between stakeholders and ElectraNet
- reduced likelihood of time consuming and inefficient appeal processes

The early engagement approach is an ElectraNet initiative, and a first for the electricity industry and the AER, that forms a core part of our ongoing commitment to genuine engagement with customers and promoting a more collaborative approach to regulatory decision making.

We embarked upon the early engagement program with the intention of providing customers with a more active role in the development of our Revenue Proposal (through the customer representatives on the panel).

The early engagement program addresses the gap between what customers really want, and how those wants are 'heard', understood and reflected in our plans and priorities for the delivery of transmission services in South Australia. The key elements and phases of the program are summarised on pages 10 and 11.

The structure of the program reflects the culture that we are building, in particular an increased focus on collaboration and cooperation across other agencies, employees, customers and stakeholders. To succeed, we are committed to continue working to put the needs of the customer first.

² A copy of the correspondence exchanged with the AER committing to the early engagement approach is available at www.electranet.com.au/wp-content/uploads/resource/2016/06/20160530-Handout-ConsumerAdvisoryPanel.pdf.

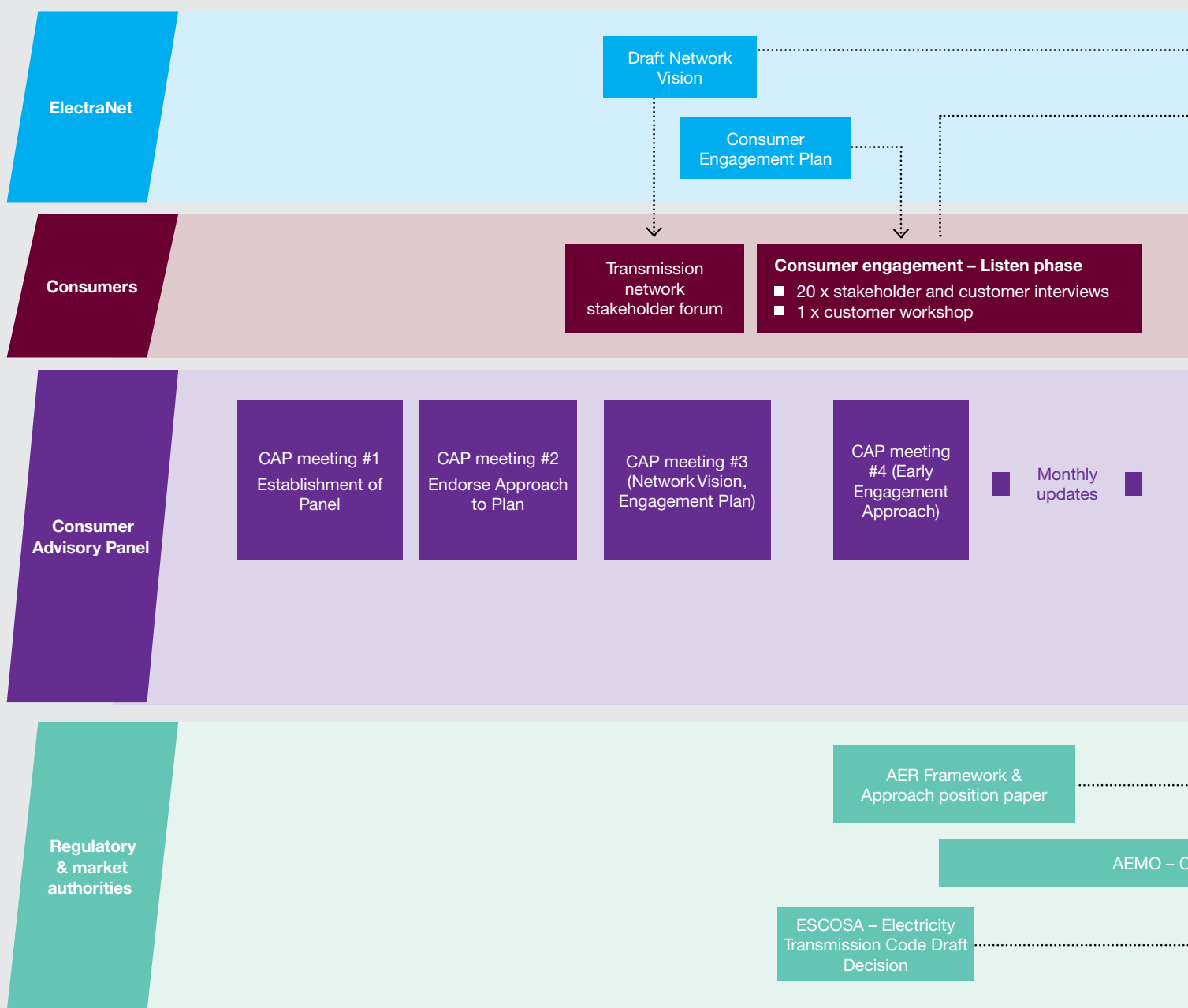


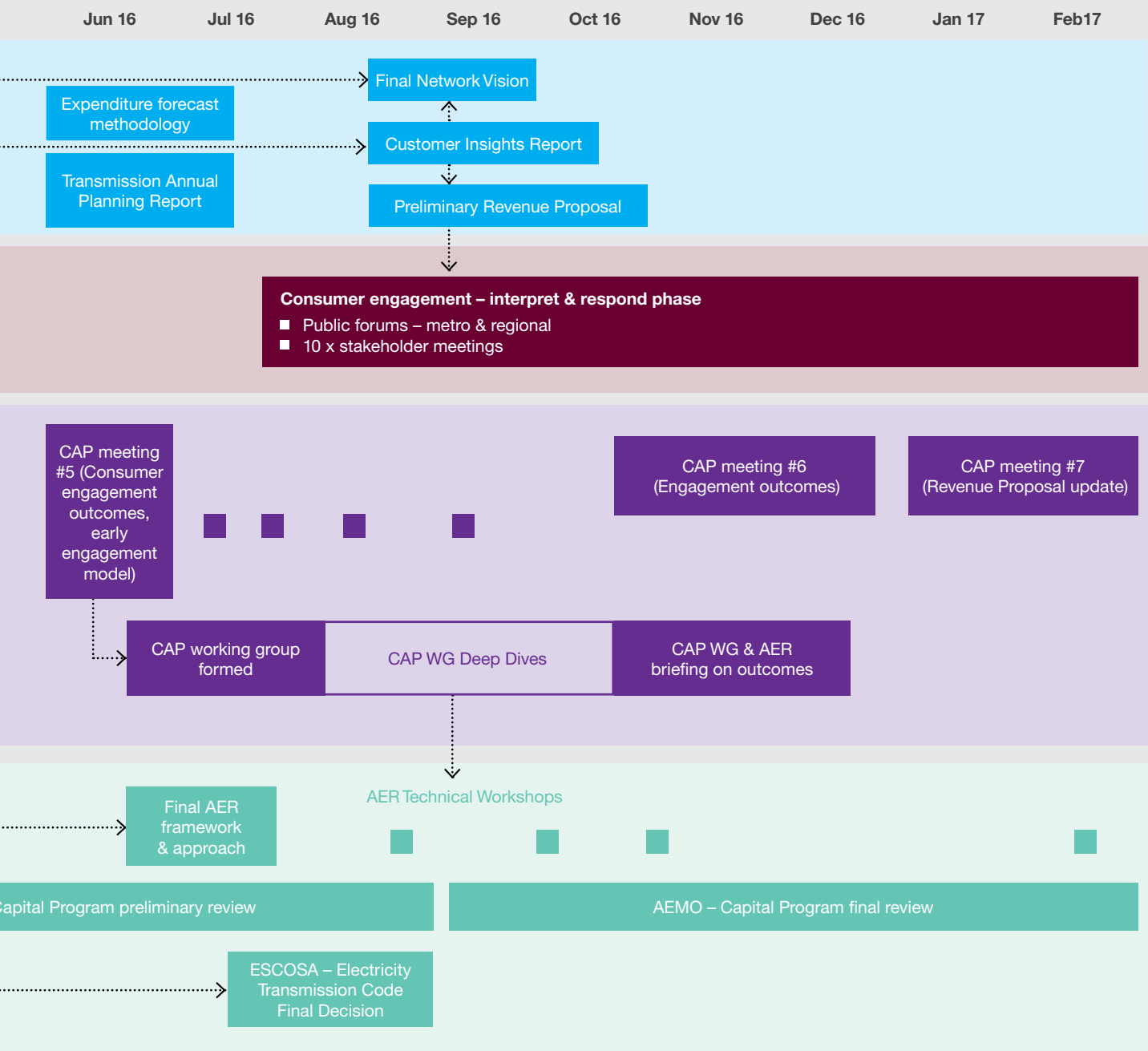
ElectraNet – Early engagement program

2019–2023 Regulatory Proposal

Indicative timeline

Aug 15 Sep 15 Oct 15 Nov 15 Dec 15 Jan 16 Feb 16 Mar 16 Apr 16 May 16





4. Our customer engagement program

4.1 Customer engagement journey

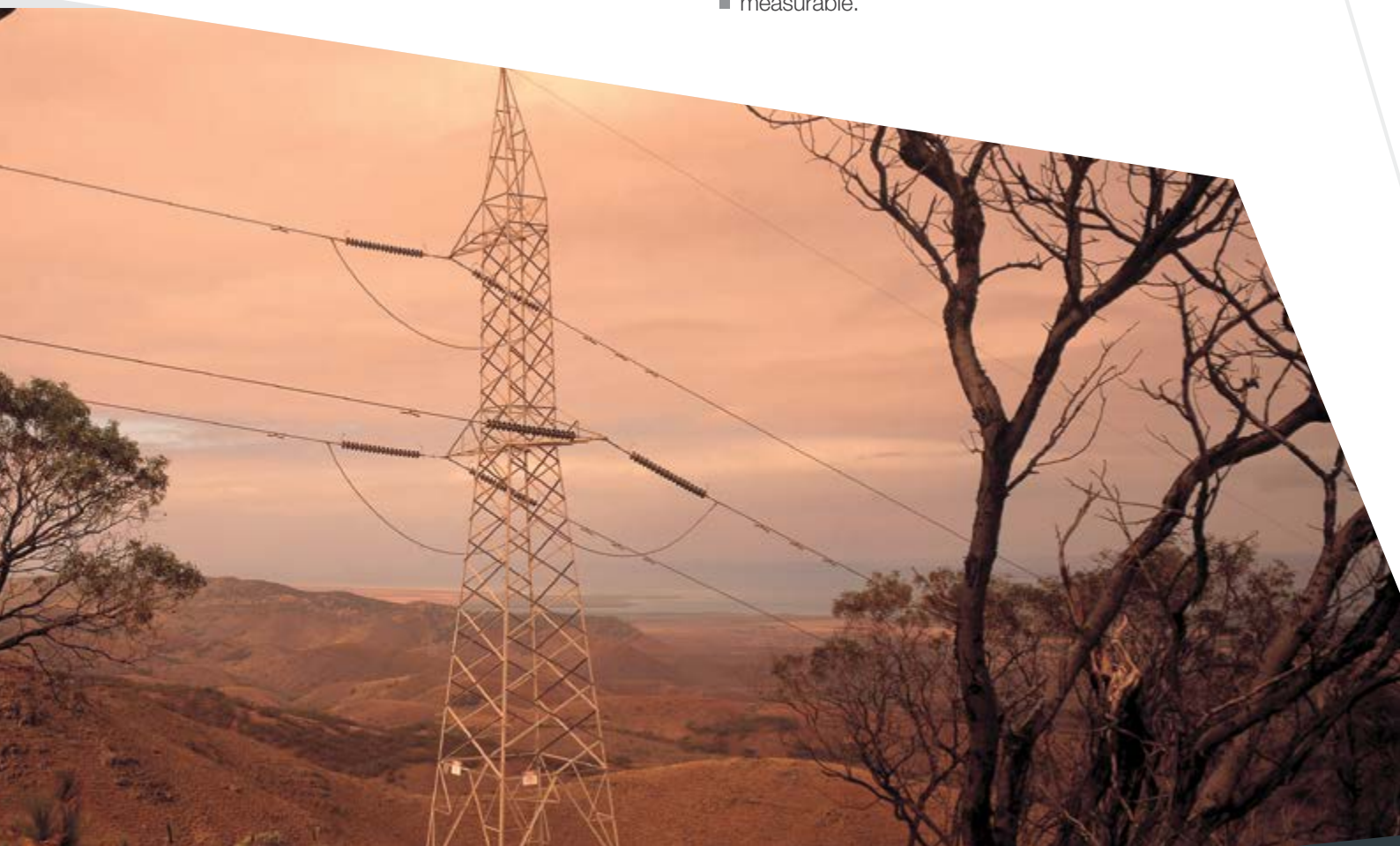
At ElectraNet, we are committed to genuine engagement with electricity customers to provide meaningful opportunities to improve the value of electricity transmission services in South Australia. This commitment is reflected in a Board approved customer engagement strategy put in place in August 2014 as the cornerstone of our approach. This strategy also established the framework for ElectraNet to plan and engage with customers.

Our approach to customer engagement has been an iterative one, with the program evolving as insights from customers and stakeholders emerged. It is based on a set of guiding principles that were established in December 2015 in our Consumer Engagement Plan.

These principles are built on well-regarded standards for customer engagement reflected in the International Stakeholder Engagement Standard (AA1000SES) and the International Association for Public Participation (IAP2) framework. This approach is consistent with the AER's Consumer Engagement Guideline that adopts these standards and sets out the expectations for network businesses to engage effectively with electricity customers.

Specifically the commitment we have made to our customers and stakeholders in line with applying the IAP2 framework and the AER's guidelines is that our engagement should be:

- clear, accurate, and timely
- accessible and inclusive
- transparent
- measurable.



The summary below highlights how ElectraNet has applied these principles to its customer engagement program.

Principles	How ElectraNet applied the principles
Clear, accurate and timely communication	<ul style="list-style-type: none"> ■ ElectraNet's approach to the customer engagement program was conducted with a clear understanding of the overarching timelines. The program was conducted early enough in our planning cycle to allow time for customers to consider the information being presented to them (often six weeks for consultation responses) and for us to act on their insights in updating our plans. ■ Careful consideration was given to the topics discussed with customers and stakeholders, ensuring that each engagement interaction allowed the relevant group to engage meaningfully on a topic where they could influence our plans. ■ Attention was given to ensuring that all materials were published in customer friendly/plain English documents, avoiding the use of industry jargon where possible. The Consumer Advisory Panel played an important role in reviewing materials prior to public release. ■ Communication was an important aspect of the customer engagement program, with a focus on developing relationships and establishing a foundation for future engagement. ■ Recognising that the cost of customer engagement is borne by customers, our program was a targeted program. We sought to understand what customer and stakeholder groups were interested in, and engaged with them on the relevant topics, through their medium of choice. This limited the amount of time and effort spent engaging broadly on topics that were of less relevance to the audience.
Accessible and inclusive	<ul style="list-style-type: none"> ■ The customer engagement program was accessible to different customer and stakeholder groups by ensuring that participants were able to choose an engagement method that best suited them. This included interviews, public forums, technical deep dive workshops, formal consultations and written and verbal surveys. ■ In attempting to seek representative participation from a cross section of stakeholders and recognising the differing views and preferences of customers and stakeholder groups, we conducted a stakeholder mapping exercise to identify different groups of customers and stakeholders and tailored our engagement interactions (including topics) accordingly. ■ Recognising and respecting that customers and stakeholders hold their own values, opinions and experiences which may differ from that of ElectraNet's, we captured, collated and responded to all forms of formal feedback, which is published on our public website.
Transparent	<ul style="list-style-type: none"> ■ Throughout the customer engagement program, we were transparent with our customers and stakeholders, at all times sharing a view of our business plans (noting they were iterative) and the feedback provided by customers and stakeholders (regardless of whether we agreed). ■ We clearly stated the methods and timeframes for customers and stakeholders to participate in the various forms of engagement activities to ensure reasonable access for all interested parties to be able to either attend or provide formal feedback on published material. ■ We defined with our customers and stakeholders, in particular with the panel, what aspects of our plan we were able to debate thoroughly versus those aspects (typically driven by either public safety, or adherence to AER guidelines) where we had less flexibility. ■ All proceedings of the panel, including meeting outcomes, agenda materials and presentations are published on our website. ■ In a unique step, we sought to connect customers and stakeholders with the regulator. Panel members and the AER were able to discuss their thoughts on our interpretations of customer priorities, and subsequent decisions presented in our Preliminary Revenue Proposal. To ensure the independence of this session, ElectraNet staff were not present during these discussions.
Measurable	<ul style="list-style-type: none"> ■ ElectraNet sought feedback from participants at the completion of each engagement activity. ■ A formal feedback survey was sent to all customers and stakeholders that we engaged with during the program, and at the conclusion of each panel meeting to rate its effectiveness. ■ Feedback from the panel provided guidance as to the success of the customer engagement program. ■ In our Preliminary Revenue Proposal we outlined how we had responded to customer insights, and sought further feedback. This was an important step in measuring the impact the program has had on our business plans. ■ We also regularly review our engagement processes in accordance with international best practices.

4.2 Consumer Advisory Panel

A core part of our commitment to customer engagement is the ElectraNet Consumer Advisory Panel, which provides a formal mechanism for ongoing engagement that extends beyond the development of our Revenue Proposal.

The panel has two key functions, firstly to provide guidance and oversight in the development of our customer engagement program, and secondly to represent the views of our customers and stakeholders.

The membership of the panel is designed to represent a broad range of customer interests, and brings together the following 12 peak representative organisations representing general customers, the disadvantaged, business interests, primary production, local government, the environment and the elderly.

Members of the Consumer Advisory Panel
Business SA
Conservation Council of South Australia
Consumers Association of South Australia
Council on the Ageing (COTA) SA
Energy and Water Ombudsman SA
Energy Consumers Coalition of SA (ECCSA)
Energy Users Association of Australia
Local Government Professionals Australia
Primary Producers SA
South Australia Chamber of Mines and Energy (SACOME)
South Australian Council of Social Service (SACOSS)
Uniting Communities

The panel meets face-to-face on a quarterly basis, and otherwise as required, and is independently facilitated. Proceedings of the panel, including agenda materials and meeting notes are published on our website³.

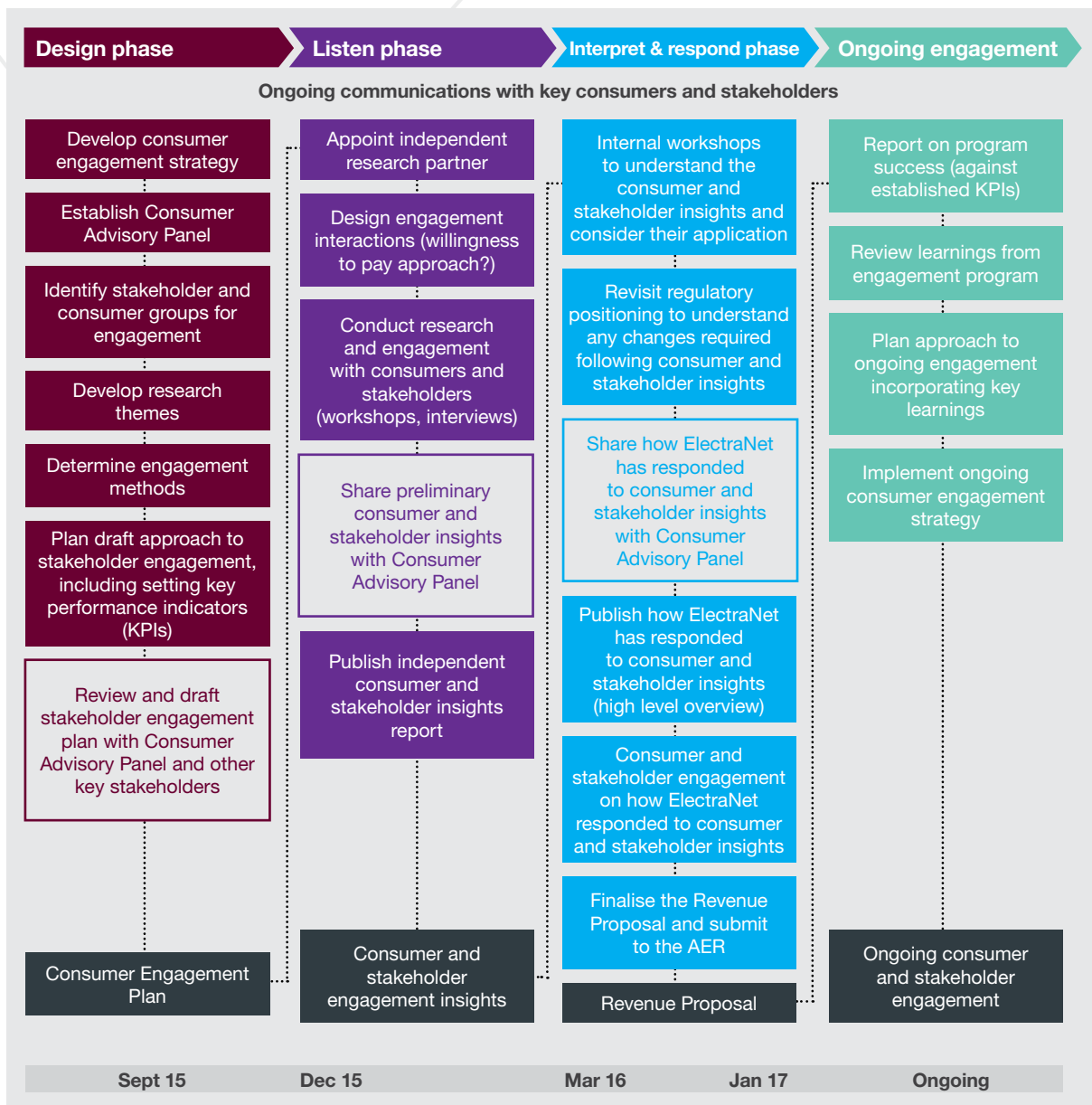
The panel has been an integral part of our early engagement program through the development and implementation of the program, and in providing ongoing feedback and advice on our plans and proposals.

A record of the topics covered during the meetings of the panel is provided in Appendix C.

³ Refer to <https://www.electranet.com.au/our-approach/community/consumer-advisory-panel/>.

4.3 Consumer Engagement Plan

Our approach to customer engagement was outlined in our Consumer Engagement Plan in December 2015. The plan outlined four key phases of our customer engagement program, which are outlined in more detail below.



We also took advice from experts to explore how best to deliver an effective engagement process within the regulatory framework of the National Electricity Rules, and engaged with the Consumer Advisory Panel in developing our approach⁴.

The following sections describe the key activities and outcomes of each phase of the customer engagement program.

An overall timeline of our engagement journey is provided in Appendix E.

⁴ Refer to the following papers considered by the Consumer Advisory Panel: An Improved Approach to Network Regulation, Harding Katz Economic and Regulatory Consultants, Paper for discussion, 18 February 2016 available at <https://www.electranet.com.au/wp-content/uploads/resource/2016/06/20160218-Report-ImprovedApproachNetworkRegulation.pdf> and Changing the DNA of network tariff setting in Australia, UnitingCare Australia, June 2015 available at <https://www.electranet.com.au/wp-content/uploads/resource/2016/06/20150630-Report-UnitingCareAustralia-ConsumerAdvisoryPanel.pdf>.

4.4 Design phase

This phase focused on understanding, 'who' to engage with, 'what' topics to engage on and, 'how' best to engage. The design process involved identifying who our customers and stakeholders were, the issues likely to be of most importance to them, and identifying the most appropriate engagement methods to establish the foundations for future engagement.

4.4.1 Stakeholder mapping

For our program to be successful, we took steps to ensure that our agenda was designed in a manner that accommodated the different needs of our broad customer and stakeholder base. We understood that different customer groups would be interested in different issues relating to transmission services, and that different segments would also have different time commitments available to contribute to our program.

Engagement activities therefore needed to be targeted and fit-for-purpose. To do this we grouped customers and stakeholders into the following three categories, the details of which are summarised below in ElectraNet's stakeholder network:

- stakeholders
- indirect customers
- direct customers and stakeholders.

Importantly, under the guidance of the panel, it was identified that an appropriately targeted and proportionate approach to engage on transmission level issues was to focus on engagement with direct stakeholders and customer representative organisations rather than direct engagement with individual small customers.

This targeted engagement has allowed us to deploy a tailored and fit-for-purpose approach to reach our stakeholders which provides for an efficient and effective engagement process – consistent with the view that engagement should be 'effective, not expensive'.

The model below outlines our stakeholder network.



4.5 Listen phase

This phase involved engaging with both customers that are directly connected to the transmission network, and interested stakeholders directly affected by ElectraNet and wider stakeholder groups representing customers.

Ensuring that our engagement was targeted, we chose not to engage directly with individual small customers, noting that SA Power Networks had engaged with this segment in its regulatory determination, but rather to reach these customers through representative organisations, such as those represented on the Consumer Advisory Panel. We were also able to build on the themes and insights gathered from this

segment from the SA Power Networks engagement and other programs conducted nationally.

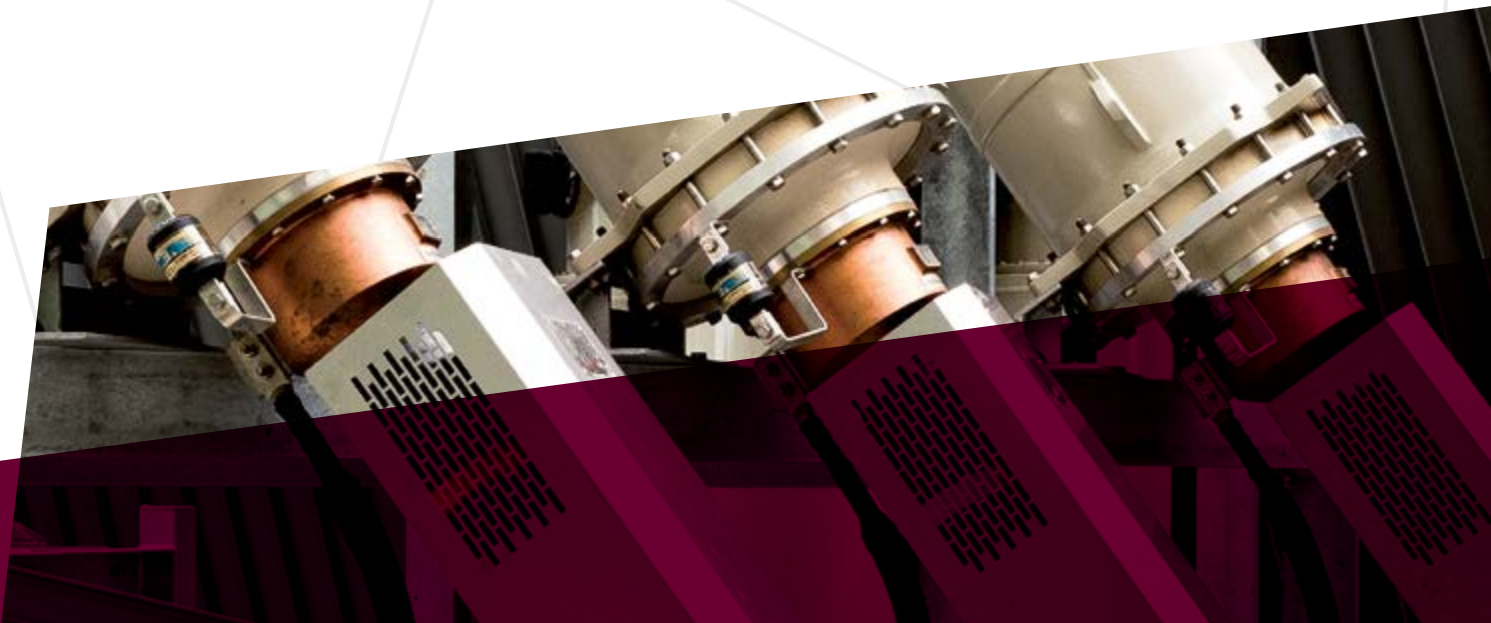
Given the individual nature of the relationship that we have with our direct connect customers and sub-transmission customers, a range of customer engagement methods were used to ensure specific requirements were captured according to the purpose of the session.

The result of this phase was a highly targeted engagement program, offering the following opportunities for interested parties to participate and provide feedback.

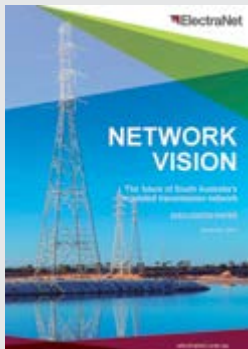
4.5.1 Engagement topics

To ensure that the customer engagement program remained focused on the issues that will impact customer outcomes, we identified a set of engagement themes, based on initial stakeholder feedback. These themes were developed in conjunction with the panel.

Engagement theme	Description
Customer experience	Customer service performance and expectations
The role of the transmission grid	Current role, future role, and disruptive forces
New technology	Impact of technology such as battery storage on the network
Network reliability	Current reliability performance, reliability expectations, factors that influence reliability, proposed investment approach
Transmission pricing	Pricing structure for customers directly connected to the transmission network
Revenue recovery	Options for the retirement of network assets and accelerated depreciation



Network Vision consultation



A key vehicle for the initial engagement was the release of a detailed Network Vision Discussion Paper, launched in parallel with the commencement of the engagement program.

This document presented an analysis of the change drivers impacting on the transmission network, what the future might look like over the next 10–20 years, and the implications for the planning and operation of the transmission network.

This document was designed to support a collaborative approach in order to prompt discussion, develop a shared understanding and help build an agreed set of directions and priorities for the transmission network to meet the needs of our customers into the future.

4.5.2 Engagement methods

To accommodate the needs of our respective stakeholders and customers, a range of initial engagement activities were conducted through the listen phase of our engagement program.

- **Stakeholder forums** – A broad range of stakeholders were invited to a public forum at the launch of our Network Vision Discussion Paper.
- **Stakeholder interviews** – A range of customers directly connected to the network, customer representatives (including Consumer Advisory Panel members) and other stakeholders were invited to one-on-one interviews.
- **Regional stakeholder forum** – An initial session was held with Riverland customers and stakeholders on our Network Vision Discussion Paper and the key issues impacting on electricity supply to the region.
- **Consumer Advisory Panel** – The panel provided oversight to the development and implementation of our engagement program, and acted as a sounding board by providing ongoing customer advice and input.

We appointed a research partner, Deloitte, to lead the listen phase of the early engagement program. Deloitte was responsible for designing and co-facilitating workshops and interviews with ElectraNet's customers and stakeholders as well as acting as an independent voice in reporting back on interactions and insights gathered during the process.

Importantly, ElectraNet remained at the forefront of all engagement activities, which has allowed us to develop shared understanding with stakeholders, providing a foundation for ongoing engagement beyond the submission of our Revenue Proposal.

4.5.3 Internal engagement

We recognised the importance of ensuring the business both understood and was able to action the key insights from customers and stakeholders.

As a first step, a workshop was conducted with ElectraNet senior management to share and discuss the preliminary findings of the Customer Engagement Program.

During this workshop cross functional working groups were provided with the opportunity to test, challenge and help refine our network vision, and provide input into the development of our directions and priorities and plans in light of customer insights.

The key outputs of the *listen* phase were then shared and further tested with our stakeholders through the *Interpret and Respond* phase, as discussed below.

4.6 Interpret and respond phase

One of the core values of our customer engagement approach is to genuinely consider feedback received and ensure that customers and stakeholders have the appropriate level of input to decisions.

Therefore, the purpose of this phase was to apply the feedback received during the listen phase to the business planning process, confirm our understanding of customer insights, and seek feedback on preliminary business responses from stakeholders and customer representatives.

We worked closely with the Consumer Advisory Panel in considering and reflecting this feedback into our plans and proposals.

The following material formed the platform for this phase as we engaged on these outcomes with stakeholders, centred on our Preliminary Revenue Proposal (PRP).



Interpret and respond phase



Customer Insights Report

This document outlined the key customer feedback gathered through the listen phase of our customer engagement process.

This feedback was summarised into 13 key insights, which centred on three key themes: affordability, reliability and choice.

These insights are summarised in Appendix A.

These insights helped shape the directions and priorities underpinning the Network Vision, which in turn drive our expenditure plans and proposals.



Network Vision

Our Network Vision outlines what the future might look like over the next 10–20 years, and sets out the key directions and priorities for planning and operation of the transmission network.

These directions and priorities are summarised in Appendix B.

Key changes adopted in the final Network Vision in response to feedback included:

- recognising the importance of sustainability of decisions which support affordability, reliability and choice
- better representing customers' desire for material price reductions, and leadership in influencing this throughout the electricity supply chain
- more strongly acknowledging the importance of maintaining the network security and reliability as new technologies and renewable generators are integrated into the supply mix.⁵



Preliminary Revenue Proposal (PRP)

The primary vehicle to test our understanding and application of insights from customers and respond to our stakeholders was through the release of the PRP, published in September 2016.

Based on the directions and priorities set out in our Network Vision, the PRP presented our indicative expenditure plans for the forthcoming regulatory period, over six months ahead of the submission of our formal Revenue Proposal.

This provided a key opportunity to validate with customers and stakeholders once more, whether we had understood their insights, and whether our plans were consistent with their needs.

⁵ Further information on the detailed issues raised in consultation on our Network Vision Discussion Paper and the manner in which these were addressed in the final Network Vision is available on our website at <https://www.electranet.com.au/what-we-do/network/vision-for-our-network/>.

4.6.1 Consumer Advisory Panel Working Group

To further build on the shared understanding developed with the panel on both network priorities, and the insights gathered from customers, the panel established a working group to focus on the specifics of the PRP.

The working group played two key roles, firstly engaging in 'deep dive' workshops focused on key aspects of the PRP. Secondly the working group was also responsible for reporting back to the wider panel independently as a group on the findings and outcomes of the deep dive workshops.

A record of the detailed topics covered during these sessions is provided in Appendix C.

4.6.2 AER engagement

The AER provided representatives to engage in reviewing technical aspects of ElectraNet's expenditure proposals and participate in workshops to assist stakeholders to understand the regulatory process and assessment of the expenditure proposals.

This pre-lodgement engagement does not replace any aspects of the formal decision making requirements or processes of the AER under the National Electricity Rules, but helps to better prepare for this process by ensuring expenditure proposals are more fully tested and understood, and that supporting information is robust and adequate.

These workshops brought together the representatives of the AER and the members of the Consumer Advisory Panel Working Group, allowing for joint dialogue and review of key aspects of the PRP.

Once the AER had nominated three members of its Consumer Challenge Panel to participate in ElectraNet's revenue determination process, these representatives also participated in these workshop sessions.

A record of the detailed topics covered during these sessions is provided in Appendix C.

4.6.3 Events of 28 September 2016

On 28 September 2016, shortly following the release of our Preliminary Revenue Proposal, electricity supply in South Australia was lost following an extreme weather event which led to a state-wide blackout. This involved significant damage to the transmission network.

Given the potential implications and resource challenges posed by this unprecedented event, we approached the AER for an extension of time to submit our Revenue Proposal, which was due to be lodged on 31 January 2017.

We also engaged with the Consumer Advisory Panel on the proposed deferral and the extension of our early engagement program to cover any material changes to our expenditure requirements as a result of the event from those identified in our Preliminary Revenue Proposal.

In view of the unique challenges facing ElectraNet following this event, and recognising our efforts in undertaking early engagement with stakeholders in developing the Revenue Proposal, the AER agreed to extend this lodgement date to 28 March 2017⁶.

This provided ElectraNet and its stakeholders with important additional time to work through the implications of the event for our plans and priorities for the coming regulatory period, and to engage on the changes we proposed to respond to these issues.

⁶ Letter dated 9 November 2016 from Sebastian Roberts, General Manager, AER, available at www.aer.gov.au/system/files/AER%20-%20Response%20to%20ElectraNet%20request%20for%20extension%20of%20time%20to%20submit%20revenue%20proposal%20-%209%20November%202016.pdf.

4.6.4 Feedback process

Feedback on the PRP was captured in a range of different ways, as shown on previous pages.

Feedback approach	Description
PRP consultation questions	A series of six questions were proposed at the end of the PRP document to gather feedback on the information in the proposal. Feedback was sought via submissions, online feedback, email responses and via our hotline ⁷ .
Stakeholder forum	Stakeholders were invited to a public forum with a focus on the PRP.
Riverland forum	A forum was hosted in the Riverland for business customers and key stakeholders within the region.
Phone calls and survey	Customers and stakeholders that ElectraNet had an existing relationship with were contacted and sent a survey inviting them to provide feedback and to indicate their level of support for the proposals contained in the PRP.
Consumer Advisory Panel (CAP) Working Group meetings	A number of sessions were held with members of the CAP Working Group to provide a detailed overview of the PRP and explore specific aspects nominated by the Working Group in further detail.
AER technical workshops	As part of ElectraNet's transparent early engagement approach, members of the AER were invited to attend 4 technical deep dive workshops on the contents of the PRP with the CAP Working Group. Members of the AER's Consumer Challenge Panel, once appointed by the AER, also attended these sessions.

This feedback has been taken into account in finalising the formal Revenue Proposal.

⁷The submissions received are available on our website at <https://www.electranet.com.au>.



4.6.5 Engagement outcomes

The further engagement with stakeholders following the release of our Preliminary Revenue Proposal reinforced the following key themes:

- the total level of electricity prices remains of concern to customers
- the growing importance of managing the security of South Australia's transmission network, as illustrated by the recent extreme weather event of 28 September 2016
- the importance of balancing the reliability levels expected of the transmission network against cost outcomes for customers.
- There was general support for the directions and priorities summarised in the PRP.
- Transmission certainly has a role to play in reducing total costs paid by customers and any reduction in prices is welcomed by customers.
- The recent storm events on 28 September 2016 further highlight the importance of the reliability of electricity supply in South Australia.
- There was a general agreement with the numbers presented in the PRP. However, if there are any large scale changes in the formal lodgement of the regulatory proposal early in 2017, customers would like to understand the drivers of this change.

Fourteen written and verbal responses were received from stakeholders on the PRP. Overall, the feedback from customers and stakeholders was supportive and there was general agreement with the content and directions proposed in the PRP⁸.

Some of the key points of feedback from stakeholders are as follows:

- Overall, respondents supported and commended ElectraNet's efforts in developing the early engagement approach.
- Stakeholders found the process helpful in enabling customer groups to become more informed, in turn facilitating constructive engagement on key issues.
- The early engagement approach and broader customer engagement approaches have reduced the number of areas where differences of opinion may be likely.

We engaged closely with the Consumer Advisory Panel in working through this feedback and responding to these themes and issues in our formal Revenue Proposal. This involved briefing the panel and sharing information on the views and issues raised by stakeholders, and the proposed changes to our plans and proposals as a result of this feedback.

Appendix D outlines in detail how the key issues raised by customers, representative organisations and other stakeholders through our early engagement on the PRP helped to improve and shape the plans and proposals that form the basis of our formal Revenue Proposal.

4.7 Ongoing engagement

At ElectraNet, the commitment to ongoing customer and stakeholder engagement continues well beyond the submission of the Revenue Proposal as a business as usual activity, as we continue to look at more innovative ways to improve the value of transmission services in South Australia.

To achieve this, we acknowledge that there is more that can be done to ensure that our ongoing

engagement activities continually deliver value to customers and stakeholders.

We are committed to continually evolve our approach based on feedback received, and through the continuing role of the Consumer Advisory Panel and other ongoing engagement activities, in order to continue to build shared understanding around our plans and priorities for the delivery of network services and explore key issues as needed.

⁸ This material is available on our website at <https://www.electranet.com.au/what-we-do/network/regulated-revenue-determination-process/>.



APPENDICES



5. Appendices

Appendix A

Customer insights

Appendix B

Directions and priorities

Appendix C

Engagement topics covered in workshops

Appendix D

Consultation feedback summary

Appendix E

Key milestones and engagement activities

Appendix A Customer insights

The feedback gathered throughout this process has been summarised into the following key insights which have three common themes: affordability, reliability and choice.

Overarching insight

1. Customers want lower, more stable and transparent electricity costs.

Customer experience

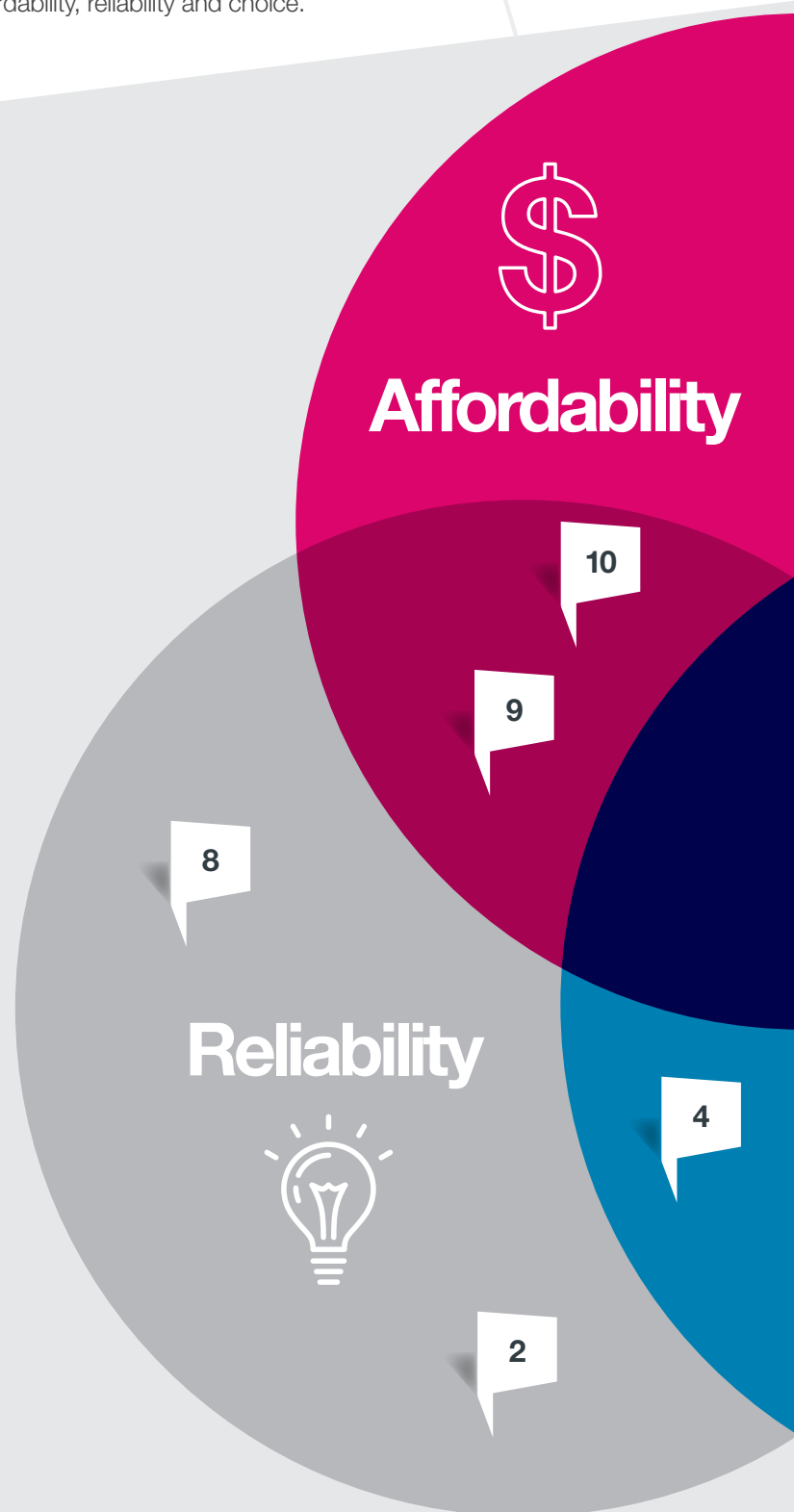
2. Customers who deal directly with ElectraNet are generally satisfied with the service they receive.
3. Indirect customers and stakeholders are seeking to increase their relationship with ElectraNet as opposed to working through SA Power Networks.

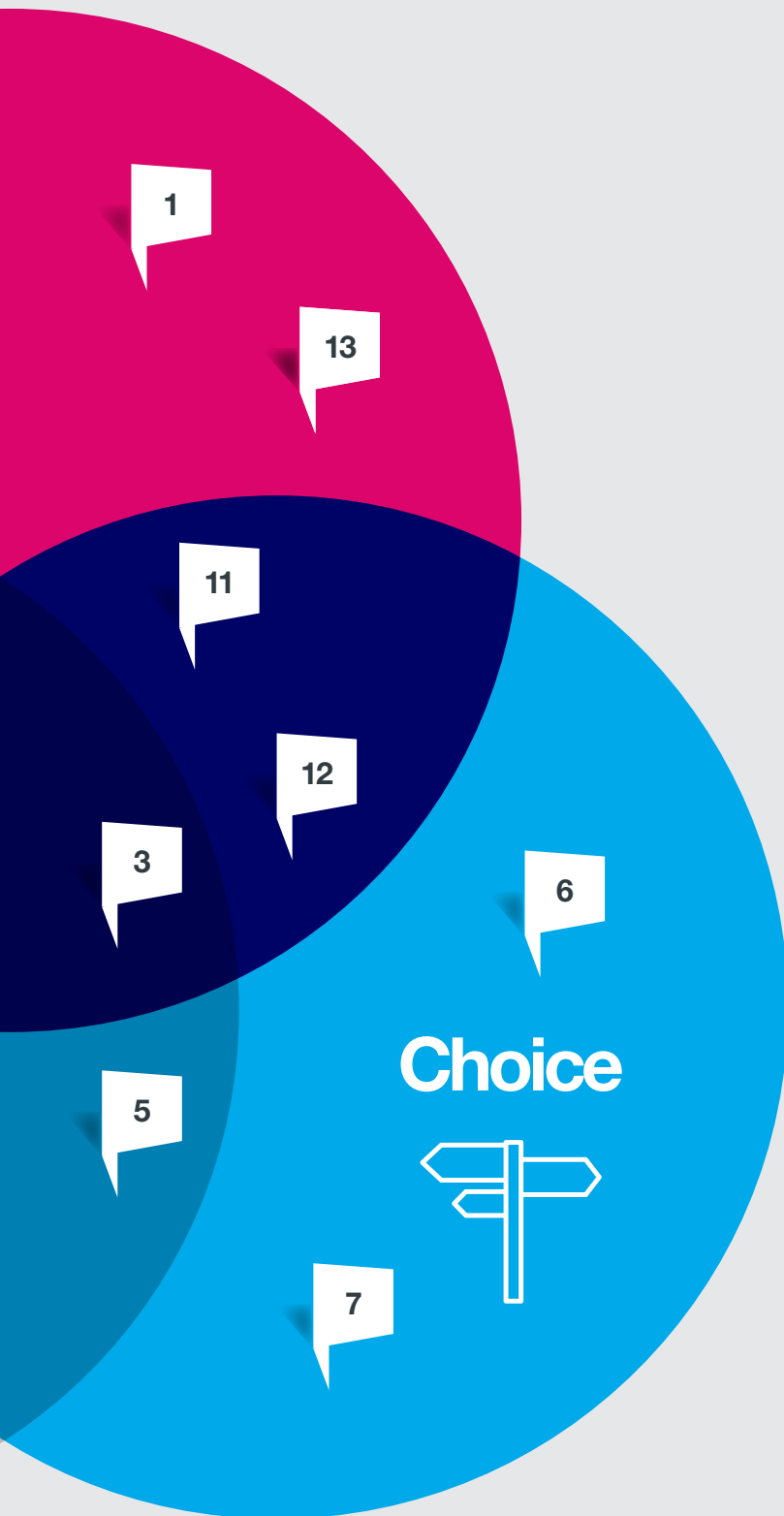
Role of the grid

4. The transmission network will continue to play an important role in the future by facilitating the integration of renewable energy generation and ensuring customers receive a reliable and stable supply.
5. The transmission network will need to adapt to meet the needs of South Australia as distributed generation levels and storage solutions increase.

New technology

6. Customers view storage solutions as part of the future of the grid when it becomes economically feasible, however, are unclear on what ElectraNet's role should be.
7. Customers are supportive of ElectraNet exploring demand management initiatives and view incentives as the key to assisting customers change their usage patterns.





Keeping the lights on

- 8. Customers are satisfied with the current reliability levels of the network.
- 9. Customers view ElectraNet's approach to capex and opex as prudent so long as a risk based approach is adopted and reliability standards continue to be met.
- 10. Customers believe ElectraNet should employ a cost-benefit approach when considering asset retirement.

Transmission pricing

- 11. Most customers are unaware or confused by transmission pricing structures.
- 12. Direct-connect customers generally don't support ElectraNet using peak demand as a base for determining charges.

Revenue recovery

- 13. Customers are unclear as to the best method of recovering depreciation charges for the transmission network.

Further information on the outcomes of our customer engagement program can be found in the Customer Insights Report, published at electranet.com.au.

Appendix B Directions and priorities

The directions and priorities which were explored and amended throughout the development of the Network Vision, are intended to provide detailed guidance on the practical ways we will go about delivering the vision and planning for the future of the network.

1. The transmission network will continue to play an important role into the future to support safe, reliable and affordable electricity supply

Directions

- Customers are seeking material electricity price reductions.
- Customers and stakeholders want ongoing and genuine engagement.
- Grid maximum demand remains steady.
- Grid supplied energy demand remains flat or declining.
- The grid needs to be maintained to deliver services efficiently, safely and reliably.
- The grid needs to support economic growth and the transition to a low-carbon future.
- Maximum demand driven investment is expected to be minimal.
- Network utilisation will continue to fall, placing ongoing pressure on unit costs.
- The age and condition of the network will be an increasing challenge to manage.

Priorities

- Create a sustainable network for the long term by seeking to deliver the most cost effective solutions for customers.
- Show leadership in favourably influencing the delivered price of energy.
- Build trust by undertaking ongoing, genuine engagement with customers, consumer representatives and other stakeholders.
- Focus on efficiently prolonging asset life wherever possible and deferring major replacement while maintaining reliability.
- Maintain network reliability as safely and efficiently as possible through a risk-based approach.
- Retire assets unlikely to be needed in the future only where economic to do so.
- Apply accelerated depreciation on a targeted basis where a clear case exists (e.g. assets no longer required due to generation closures).
- Explore more efficient and transparent pricing arrangements to promote clarity and stability.
- Manage any major uncertain network developments (e.g. mining loads) as contingent projects within the regulatory framework.

2. The ongoing uptake of distributed energy resources by customers is changing the role of the grid

Directions

- Further significant installation of rooftop solar PV capacity is expected, with periods of zero grid level demand expected within two decades.
- The impact of energy storage at a customer level is likely to have limited impact on the grid over the planning horizon.
- The uptake and impact of electric vehicles by customers is expected to be modest over the planning horizon.
- Distributed energy growth rates are uncertain and will be driven by customer preferences, technology costs and policy support.
- Forecasting technology uptake is therefore challenging and scenario planning is important to consider a range of possible futures.

Priorities

- Actively monitor and respond to trends, developments and expectations to ensure the grid is ready to meet the needs of customers as distributed energy technology is adopted.
- Plan for emerging technologies in order to maintain safe, reliable and secure supply under reasonably foreseeable demand and supply conditions.

3. The generation mix is changing, creating new challenges for the secure and reliable operation of the grid

Directions

- The withdrawal of conventional generators is placing greater reliance on wind generators and interconnectors.
- The operation of the network is becoming more complex and challenging.
- The risk and potential consequences of state-wide outages after rare interconnector separation events is increasing.
- The transmission network needs to support the integration of globally high levels of renewable generation to help maintain secure and reliable electricity supply.

Priorities

- Develop efficient solutions to maintain a secure and reliable network with less conventional generation.
- Investigate further interconnection opportunities which enhance benefits to customers by facilitating market competition, and supporting competitive, secure and stable power supplies, and renewable generation exports.

4. New technologies are changing the way some network services can be delivered

Directions

- Storage technology is likely to become economic in the medium term at a grid scale, offering a new potential option to efficiently deliver network and ancillary services.
- In a flat demand environment, non-network solutions and new technologies such as storage can offer more economic alternatives to traditional network options.
- Ongoing advances in information technology and network control systems provides access to a wealth of 'big data' to inform network decision making.

Priorities

- Continue to investigate the application of grid scale energy storage and initially gain experience in the deployment and operation of this emerging technology.
- Actively pursue cost effective demand side solutions and innovations in the deployment of non-network solutions and new technology.
- Adopt best practice data analytics to improve decision making in asset management and network operation.





Appendix C Engagement topics covered

A record of the topics covered during external engagement sessions and workshops is as follows.

Session	Purpose	Date	Attendees
CAP Meeting #1	<ul style="list-style-type: none"> ■ Establish the panel ■ Workshop the purpose and operation of the panel 	25 Aug 2015	<ul style="list-style-type: none"> ■ CAP members ■ Independent facilitator ■ ElectraNet
CAP Meeting #2	<ul style="list-style-type: none"> ■ Discuss priority issues for customers ■ Endorse approach to Consumer Engagement Plan ■ Approve Panel Charter 	6 Oct 2015	<ul style="list-style-type: none"> ■ CAP members ■ Independent facilitator ■ ElectraNet
Transmission Network Stakeholder Forum	<ul style="list-style-type: none"> ■ Launch of Network Vision discussion paper ■ Workshop emerging directions and priorities for the transmission network 	2 Dec 2015	<ul style="list-style-type: none"> ■ Customer representatives & stakeholders ■ ElectraNet
CAP Meeting #3	<ul style="list-style-type: none"> ■ Briefing on Electricity Transmission Code review ■ Consider broader membership ■ Consumer Engagement Plan update ■ Discuss Network Vision development 	8 Dec 2015	<ul style="list-style-type: none"> ■ CAP members ■ Independent facilitator ■ ElectraNet ■ ESCOSA (guest)
CAP Meeting #4	<ul style="list-style-type: none"> ■ Discuss early engagement approach ■ Consumer Engagement Plan update ■ Briefing on Network Vision feedback 	23 Feb 2016	<ul style="list-style-type: none"> ■ CAP members ■ Independent facilitator ■ ElectraNet
Riverland Stakeholder Workshop #1	<ul style="list-style-type: none"> ■ Explore the key issues of interest to Riverland electricity customers 	6 Apr 2016	<ul style="list-style-type: none"> ■ Riverland customer representatives ■ ElectraNet
CAP Meeting #5	<ul style="list-style-type: none"> ■ Review consumer engagement 'listen phase' outcomes ■ Explore implications for directions and priorities in Network Vision ■ Endorse early engagement approach 	24 May 2016	<ul style="list-style-type: none"> ■ CAP members ■ Independent facilitator ■ ElectraNet
CAP Working Group Meeting #1	<ul style="list-style-type: none"> ■ Provide an overview of the PRP ■ Identify areas of interest for further review ■ Agree next steps and forward meeting schedule 	25 Jul 2016	<ul style="list-style-type: none"> ■ ElectraNet ■ Independent facilitator ■ CAP Working Group representatives
CAP Working Group Meeting #2	<ul style="list-style-type: none"> ■ Develop an understanding of the PRP ■ Work through the indicative depreciation forecast ■ Explore the implications of greater interconnection ■ Review the profile of the Regulated Asset Base 	12 Aug 2016	<ul style="list-style-type: none"> ■ ElectraNet ■ Independent facilitator ■ CAP Working Group representatives
AER Technical Workshop #1	<ul style="list-style-type: none"> ■ Provide an overview of the key insights from ElectraNet's customer engagement program to date ■ Outline ElectraNet's Network Vision for South Australia's electricity transmission network ■ Provide an overview of the PRP and indicative forecasts 	7 Sep 2016	<ul style="list-style-type: none"> ■ ElectraNet ■ Independent facilitator ■ Australian Energy Regulator technical advisors ■ CAP Working Group representatives

Session	Purpose	Date	Attendees
Transmission Network Stakeholder Forum	<ul style="list-style-type: none"> ■ Provide overview of PRP and indicative forecasts ■ Explain customer engagement program and key outcomes ■ Outline Network Vision 	21 Sep 2016	<ul style="list-style-type: none"> ■ Customer representatives & stakeholders ■ ElectraNet
AER Technical Workshop #2	<ul style="list-style-type: none"> ■ Provide an overview of ElectraNet's approach to developing the capital expenditure forecast ■ Provide a more detailed breakdown of the capital expenditure program ■ Review the application of economic and risk assessment frameworks by ElectraNet and how these have been applied to a number of case studies related to range of network and unit asset replacement and line refurbishment projects 	22 Sep 2016	<ul style="list-style-type: none"> ■ ElectraNet ■ Independent facilitator ■ Australian Energy Regulator technical advisors ■ CAP Working Group representatives
AER Technical Workshop #3	<ul style="list-style-type: none"> ■ Review the application of economic and risk assessment frameworks by ElectraNet and how these have been applied to a number of case studies related to a number of operational and business IT projects 	12 Oct 2016	<ul style="list-style-type: none"> ■ ElectraNet ■ Independent facilitator ■ Australian Energy Regulator technical advisors ■ CAP Working Group representatives
CAP Meeting #6	<ul style="list-style-type: none"> ■ Briefing by CAP WG on outcomes of deep dive workshops ■ Briefing by AER on progress of early engagement process ■ Update on status of Revenue Proposal and recent developments, including request for timeframe extension 	31 Oct 2016	<ul style="list-style-type: none"> ■ CAP members ■ Independent facilitator ■ ElectraNet ■ AER CCP representatives ■ AER
CAP Meeting #7	<ul style="list-style-type: none"> ■ Provide update on Revenue Proposal and recent developments ■ Review feedback on PRP and proposed responses issues raised ■ Agree next steps 	17 Jan 2017	<ul style="list-style-type: none"> ■ CAP members ■ Independent facilitator ■ ElectraNet ■ AER CCP representatives
Riverland Stakeholder workshop #2	<ul style="list-style-type: none"> ■ Provide overview of Revenue Proposal and update on forecasts ■ Provide update on recent transmission developments 	19 Jan 2017	<ul style="list-style-type: none"> ■ Riverland customer representatives ■ ElectraNet
AER Technical Workshop #4	<ul style="list-style-type: none"> ■ Provide an update on the capital expenditure forecast since the PRP ■ Provide an update on network resilience investigations ■ Review a number of case study examples of new projects included in the forecast to improve network security and resilience ■ Provide an update on the status of the SA Energy Transformation RIT-T, Eyre Peninsula upgrade investigations and ESCRI battery storage project 	14 February 2017	<ul style="list-style-type: none"> ■ ElectraNet ■ Independent facilitator ■ Australian Energy Regulator technical advisors ■ CAP Working Group representatives ■ AER CCP representatives

Appendix D Consultation feedback summary

The table below details the specific feedback received from stakeholders on our PRP and the manner in which this has been taken into account in our Revenue Proposal.

Capital expenditure program	
What we heard	Our response
South Australia's blackout on 28 September 2016 crystallised the importance of reliability to business and once the exact causes and their relative contributions to the system failure are determined by relevant inquiries, it will be important for ElectraNet to take reasonable steps at appropriate costs to mitigate future impacts of similar events.	We have carefully examined these risks and adopted a number of measured and targeted proposals to address these risks on a cost effective basis, based on the best information available at this point in time, as discussed in our Revenue Proposal (refer Attachment 6). We are continuing to monitor the multiple ongoing investigations into this event and will continue to assess whether any further expenditure is required.
The blackout events on 28 September 2016 highlighted the vulnerability of Port Lincoln customers.	We are actively investigating cost effective solutions to improve the reliability of supply to the Eyre Peninsula, as discussed in our Revenue Proposal (refer Attachment 6). The blackout event is the subject of multiple investigations which are ongoing.
After labour, electricity costs are the most significant concern for small business.	We will continue to focus on driving costs down while maintaining the reliable network expected in a modern society, and pursue broader measures to reduce the delivered cost of energy, such as interconnection options and network capability improvements, as discussed in our Revenue Proposal (refer Attachment 6). We are proposing a 39% reduction in our capital program.
There is limited reference in the Preliminary Revenue Proposal to any projects that focus on maintaining frequency reliability in the transmission system.	The Revenue Proposal explains in further detail the measures being undertaken in the short and medium-term to address the security and reliability of the transmission network, including the implications from the recent extreme weather event of 28 September 2016 and the management of system frequency (refer Attachment 6).
It's welcoming that ElectraNet is exploring solutions that provide for greater interconnection and it should consider including non-network options.	We will continue to investigate the feasibility of new interconnection options and non-network solutions through our SA Energy Transformation RIT-T process, which is now underway, as discussed in our Revenue Proposal (refer Attachment 6).
General support for the two contingent projects proposed in the Preliminary Revenue Proposal, however, if approved, this may significantly increase the capital expenditure on the transmission network.	The potential price impacts of these two projects - a full Eyre Peninsula line replacement and new interconnect project - are detailed in our Revenue Proposal (refer Attachment 1). These projects can only be approved by the AER if sufficient net benefits to customers can be demonstrated. Details of the contingent projects we have identified are also set out in our Revenue Proposal (refer Attachment 6).
There is mention of two contingent projects in the Preliminary Revenue Proposal – but there is no mention of other major projects for other regions, such as the Upper North region.	The Revenue Proposal details five contingent projects being proposed to cater for potential capital expenditure requirements across the network in the coming period, including two projects in the Upper North region which are contingent on potential mining developments (refer Attachment 6).
Support ElectraNet's options to improve reliability on the Eyre Peninsula, not only to Port Lincoln but also to the surrounding region.	We will continue to investigate the most cost effective solutions to support supply reliability to customers on the Eyre Peninsula, as set out in our Revenue Proposal (refer Attachment 6).

Capital expenditure program cont.

What we heard	Our response
The PRP does not respond to the current and future limitations and weaknesses of the Upper North region or consider potential plans for mining growth.	The Revenue Proposal details five contingent projects being proposed to cater for potential capital expenditure requirements across the network in the coming period, including two projects in the Upper North region which are contingent on potential mining developments (refer Attachment 6). We have also undertaken an investigation into the scope for larger scale works to improve the resilience of the network at its most vulnerable points, focusing on the mid-North, as detailed in our Revenue Proposal (refer Attachment 6).
There is a large amount of assets nearing, or at, the end of their intended life. Have some concerns around the reliability of supply and there is limited detail in the PRP.	We will maintain our focus on minimising capital expenditure while maintaining network security and reliability. A risk based approach is being applied to efficiently manage the challenge of ageing assets, with a focus on replacing individual network assets to maintain safety and reliability rather than replacing whole substations or transmission lines, and cost effective measures to efficiently extend the life of our network assets, such as the transmission line refurbishment program, as detailed in our Revenue Proposal (refer Attachment 6).

Operating expenditure program

What we heard	Our response
South Australia's blackout on 28 September 2016 crystallised the importance of reliability to business and once the exact causes and their relative contributions to the system failure are determined by relevant inquiries, it will be important for ElectraNet to take reasonable steps at appropriate costs to mitigate future impacts of similar events.	We will continue to efficiently operate and maintain the network to maintain safety, security and reliability in the face of growing system security challenges as outlined in our Revenue Proposal (refer Attachment 7). We are continuing to monitor the multiple ongoing investigations into this event and will continue to assess whether any further expenditure is required.
Support the year 2015–16 as being a reasonable base year for the opex forecasts.	We have continued to base our operating expenditure forecasts on 2015–16 as a representative and efficient base year, as discussed in our Revenue Proposal (refer Attachment 7).
Support for the headline reduction rate of 10%* which seems reasonable from a customer perspective. * Estimate subsequently revised to 11%	The final operating expenditure forecasts maintain a projected reduction of 11% relative to our trend allowance, as discussed in our Revenue Proposal (refer Attachment 7).
After labour, electricity costs are the most significant concern for small business.	We will continue to focus on driving operating costs down while maintaining the reliable network expected in a modern society, and pursue broader measures to reduce the delivered cost of energy. We are proposing an 11% reduction in our operating expenditure program.
Local wage price drivers remain depressed, and labour cost growth should be capped at CPI.	We have sourced independent expert advice on forecast labour costs movements and applied the AER's standard approach to labour costs based on the average of expert opinions, which shows a minor real forecast cost increase across the period, as discussed in our Revenue Proposal (refer Attachment 7).
Acknowledge that the early engagement process has been a learning exercise for both ElectraNet and the Consumer Advisory Panel, ElectraNet have shown a genuine degree of openness with customer representatives which has helped to instil a sense of confidence in the processes behind construction of its 2019–2023 Revenue Proposal.	We remain fully committed to our early engagement process and to ongoing meaningful customer engagement that will continue beyond the lodgement of our Revenue Proposal and AER final determination.

Financial parameters

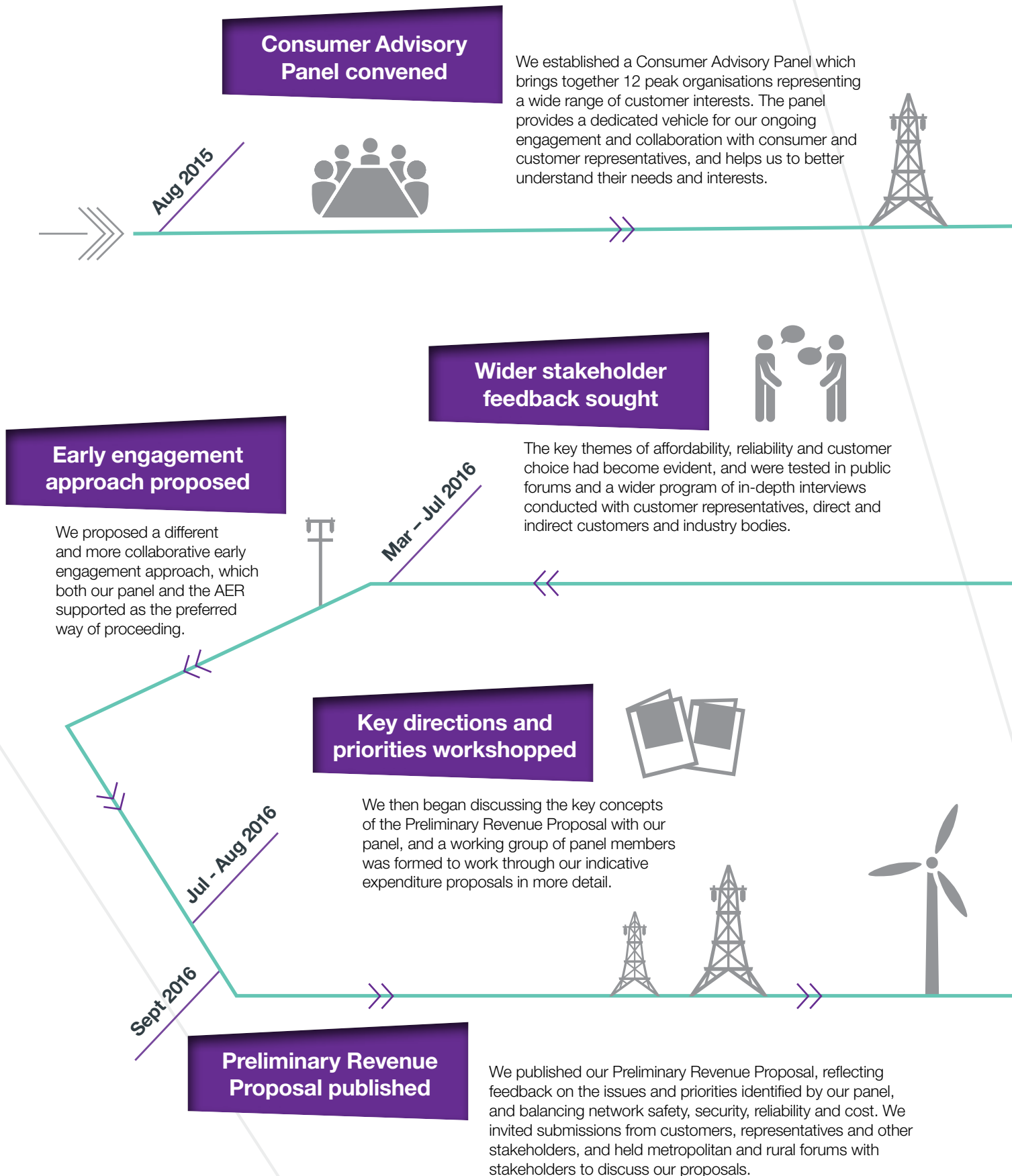
What we heard	Our response
Welcome the proposal to adopt rate of return parameters in line with recent AER determinations and subsequent court rulings.	We have maintained our approach to the rate of return parameters as outlined in the Preliminary Revenue Proposal in our formal Revenue Proposal (refer Attachment 3).
Gamma should be 0.5 rather than 0.25 as proposed in the Preliminary Revenue Proposal – but recognise that this is a contentious issue.	We have continued to adopt a gamma value of 0.25 given the current uncertainty over the prevailing approach, pending the outcomes of ongoing appeals by other networks, as discussed in our Revenue Proposal (refer Attachment 4).
A more appropriate forecast inflation figure of 2.4% is suggested for the period, which is just below the mid-point of the Reserve Bank of Australia's target range of 2–3% rather than the 2% proposed in the Preliminary Revenue Proposal.	We have adopted a market based inflation forecast in the Revenue Proposal to provide the most accurate CPI outlook possible. We will be working with the AER, which has recently commenced a review of its prevailing inflation forecast methodology, to determine the appropriate approach moving forward. Our current forecast is subject to ongoing change based on prevailing market conditions, as discussed in our Revenue Proposal (refer Attachment 3).
ElectraNet's proposed 46% reduction in capital expenditure will relieve pressure on a growing RAB and is welcomed as an important first step to addressing concerns with South Australia's high electricity prices.	We will maintain our focus on minimising capital expenditure while maintaining network security and reliability as outlined in our Revenue Proposal (refer Attachment 6). Our regulated asset base (RAB) is projected to decline in real terms over the forthcoming regulatory period, as detailed in our Revenue Proposal (refer Attachment 2).
It seems that the expected nominal price increase over the period is greater than the current inflation forecasts and is not in line with the expectation of Australian regulatory frameworks based on a CPI-X model.	In addition to the proposed reduction in our capital expenditure (down 39%) and operating expenditure (down 11%) we have applied the standard AER approaches to the determination of the remaining building blocks of our forecast revenue, with the exception of our approach to gamma and inflation, as detailed in our Revenue Proposal (refer Attachments 2, 3, 4 and 5). We expect an initial price reduction of 10% in nominal terms based on reduced expenditure requirements and current rates of return. Transmission prices are expected to rise at a slightly higher rate than nominal revenues over the period due to a continued expected decline in energy consumption (which increases unit costs). Overall, transmission costs are projected to fall to around 8% of an average household electricity bill by the end of the period.
Expect the final Revenue Proposal would include more information about the past, current and future revenue streams associated with rate of return parameters, particularly given such amounts are typically the largest component of costs recouped from energy customers, including businesses.	The Revenue Proposal contains full details of our proposed rate of return parameters, noting that we continue to apply the AER's standard approach to each of these parameters, with the exception of gamma and inflation (refer Attachments 3 and 4).
Can all future analysis of ElectraNet's RAB and other rate of return inputs to be at minimum provided on a 'nominal' basis.	Our revenue inputs are presented in nominal terms throughout our Revenue Proposal consistent with the AER's Post Tax Revenue Model (PTRM) including revenue and price impacts, while expenditure forecasts are presented in real terms to enable comparison of trend levels over time (as explained in Attachment 1).

Appendix E Key milestones and engagement activities

The table below outlines the key milestones in ElectraNet's customer engagement journey to date.

Event	Overview	Date
Consumer Advisory Panel convened	We established a Consumer Advisory Panel to bring together 12 peak organisations representing a wide range of customer interests. The panel provides a dedicated vehicle for our ongoing engagement and collaboration with customer representatives and helps us to better understand their needs and interests.	August 2015
Customer Engagement Program developed	We made sure our customer engagement process was more effective by having the panel help us identify the range of different organisations, companies and individuals that are interested in the services we provide. With the assistance of the panel, we designed an engagement process to give each group a voice.	August – December 2015
Network Vision developed	Based on the feedback that we received, we refined our Network Vision, which states that the transmission network will deliver affordable and reliable power supplies that support customer choices for a sustainable future. This is supported by key directions that address the way customer priorities and feedback will continue to be incorporated into our business in the future.	December 2015 – July 2016
Issues and priorities identified	The panel then identified, refined and ranked the issues and priorities that should shape our planning and the areas of engagement with wider groups of stakeholders.	August – December 2015
Wider stakeholder feedback sought	The key themes of affordability, reliability and choice had become evident, and were tested in public forums and a wider program of in-depth interviews conducted with customer representatives, direct and indirect customers and industry bodies. We undertook a number of one-on-one interviews.	December 2015 – July 2016
Early engagement approach proposed	We proposed a different and more collaborative early engagement approach, which both our panel and the AER supported as the preferred way of proceeding.	March – July 2016
Key directions and priorities workshopped	We then began discussing the key concepts of the PRP with our panel. A working group of panel members was formed to devote an even greater amount of time to working through our indicative expenditure proposals.	July – August 2016
Preliminary Revenue Proposal published	The culmination of all of this earlier work, is this PRP document, which has been framed based upon the issues and priorities defined by our panel, to responsibly balance the necessary costs of maintaining network reliability and customer choice, with an active effort to reduce transmission prices.	September 2016
Technical workshops	We convened a series of technical workshops to explain our approach to transmission planning and our Preliminary Revenue Proposal. These workshops were attended by Consumer Advisory Panel members and the AER members of the AER's Consumer Challenge Panel, once appointed, also attended these sessions.	September – October 2016
Final directions and plans workshopped	We briefed the Consumer Advisory Panel on the outcomes of our consultation on the Preliminary Revenue Proposal, and convened a further technical workshop to explain the proposed changes to our capital expenditure program, attended by panel members, the AER and representatives of the AER's Consumer Challenge Panel.	January – February 2017

Customer engagement timeline



Customer Engagement Program developed

We made sure our customer engagement process was more effective by having the panel help us identify the range of different organisations, companies and individuals that are interested in the services we provide. With the assistance of the panel, we designed an engagement process to give each group a voice.



Aug – Dec 2015

Network Vision developed

Based on the feedback that we received, we refined our Network Vision, which states that the transmission network will deliver affordable and reliable power supplies that support customer choices for a sustainable future. This is supported by key directions that address the way customer priorities and feedback will continue to be incorporated in our business in the future.



Aug – Dec 2015

Issues and priorities identified

The panel then identified, refined and ranked the issues and priorities that should shape our planning and the areas of engagement with wider groups of stakeholders.



Dec 2015 – Jul 2016

Technical workshops

We convened a series of technical ‘deep dive’ workshops to explain Preliminary Revenue Proposal and explore specific aspects in further detail. These workshops were attended by Consumer Advisory Panel members and the AER.



Final directions and plans workshopped

We briefed the Consumer Advisory Panel on the outcomes of our consultation and convened a further technical workshop to explain the proposed changes to our capital expenditure program, attended by panel members, the AER and representatives of the AER’s Consumer Challenge Panel.

Sept – Oct 2016

Jan – Feb 2017

NOW



You can provide feedback on our Customer Engagement Outcomes Report by:



Emailing your feedback to:
consultation@electranet.com.au



Visiting us online at:
www.electranet.com.au
and completing the online form



Sending your feedback marked "Customer Engagement Outcomes Report" to:
Simon Appleby
Senior Manager Regulation
and Land Management
PO Box 7096
Hutt St Post Office
ADELAIDE SA 5000

We look forward to receiving your feedback.

Alternatively, should you wish to discuss any aspects of our Customer Engagement Outcomes Report, please feel free to contact us as above, or toll free on:



1800 243 853.