

Customer & Consumer Panel

19 April 2018



Agenda

- Welcome and introductions
- Customer Service Charter
- Update on the RIT-T for replacement projects
- Asset management strategies
- Afternoon tea
- Transmission pricing consultation

Customer Service Charter



Customer Service Charter

Our Customer Service Charter provides our customer service standards and responsibilities, and provides you with a clear understanding of what you can expect from us.

About Powerlink

Powerlink is a leading Australian provider of high voltage electricity transmission network services, combining innovation with insight to deliver safe, cost effective and reliable solutions.

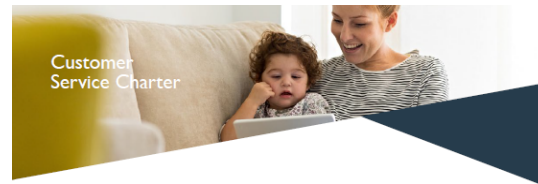
We are a State Government Owned Corporation which owns, operates and maintains the Queensland transmission network that extends 1700km from north of Cairns to the New South Wales border, and comprises 15,000 circuit kilometres of transmission lines and 139 substations.

We have a strong history of connecting people to the energy they need, providing electricity to almost four million Queenslanders. Learn more about the Powerlink story [here](#).

Our Commitment

This Charter confirms Powerlink's commitment to:

- The safety of the community, our contractors and our people
- Placing the customer at the centre of everything that we do
- Listening to our customers to better understand their needs
- Resolving complaints in a professional and timely manner
- Using customer feedback to drive continuous improvement
- Genuinely engaging with customers, demonstrating how their input has improved decision-making
- Ensuring our customers see value in the services we provide
- Respecting privacy and personal information.



Customer Service Charter

Our Delivery Promise

Powerlink's promise is to deliver safe, cost-effective and reliable transmission services to our customers. Our transmission services play a key role in driving economic growth and enriching lifestyles.

We understand that our customers will play a key role in how our network continues to evolve as we move towards a lower carbon future and provide greater choice in how energy is used and accessed.

We are committed to providing excellent customer service by genuinely engaging with our customers to better understand their needs and interacting with them in a respectful and transparent manner.

Service Standards

Network Performance

Powerlink is focused on maintaining a highly reliable transmission and cost-effective network and works closely with Energy Queensland to maintain supply to Queensland customers.

On occasion, there are circumstances beyond our control that can cause power outages. These include weather conditions, wildlife, trees and vandalism. We have comprehensive plans and highly skilled staff working 24/7 to safely respond to unplanned network outages, minimising any disruption to electricity supply or inconvenience to customers.

Powerlink works closely with customers to plan and coordinate network outages to minimise risk to supply and impacts to the market. Powerlink also takes real-time actions to mitigate impacts, including postponing planned interruptions to supply, in response to unplanned events on our network.

Customer Engagement

Powerlink is committed to effectively engaging with customers, genuinely considering feedback received and demonstrating how engagement has improved decision-making. Our efforts towards placing the customer at the centre of everything we do are ongoing.

Find out more about how we engage with our customers [here](#).

Complaints Resolution

We encourage feedback from customers regarding Powerlink's performance as part of our commitment to continuous improvement.

Powerlink will acknowledge complaints received within 24 hours (one business day) of receiving the complaint. We will actively engage with customers to understand the nature of the complaint, and determine a suitable timeframe and course of action for resolution. Once all actions have been completed, we will follow up with our customers to confirm the complaint has been resolved.

Customers can contact Powerlink to lodge a complaint via:

Phone 1800 635 369

Website www.powerlink.com.au/About_Powerlink/Contact_us.aspx

Email poenquiries@powerlink.com.au

Privacy

Powerlink understands the importance of protecting your privacy. For safety, security and for your peace of mind, we have a number of processes in place to safeguard the personal information you entrust to us. To view our Privacy Policy, please visit www.powerlink.com.au/privacy-statement

Contact Us

☎ 07 3860 2111 (local) or 1800 635 369 (toll-free)

✉ poenquiries@powerlink.com.au

📍 PO Box 1193, Virginia, QLD 4014

Connect: [f](#) [t](#) [in](#) [v](#)

Customer Service Charter

- Released in March 2018
- Outlines Powerlink's customer service standards and responsibilities
- Confirms Powerlink's commitment to:
 - The safety of the community, our contractors and our people
 - Placing the customer at the centre of everything we do
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Regulatory Investment Test for Transmission (RIT-T) – Update

Roger Smith
Manager Network & Alternate Solutions



Current progress

- Baralaba Substation secondary systems replacement Project Specification Consultation Report (PSCR) issued
 - Panel notified via email
 - consultation closes 22 June 2018
- Final draft of PSCR for Dan Gleeson Substation secondary systems replacement project prepared
- Powerlink PSCR document template updated
- RIT-T stakeholder engagement matrix published on website

Next steps

- Baralaba Substation
 - monitor feedback / responses
- Dan Gleeson Substation
 - finalise cost inputs to net present value (NPV) economic assessment and issue by end April
- Continue preparation for next tranche of RIT-T consultations
- Develop more user friendly summary of RIT-T documents

Upcoming RIT-Ts

- Ingham South Substation transformers replacement
- Egans Hill to Rockhampton transmission line refit
- Kamerunga Substation rebuild
- Secondary systems replacements:
 - Belmont Substation
 - Palmwoods Substation
 - Tarong Substation
 - Mudgeeraba Substation

Managing network assets

David Gibbs
Manager Asset Strategies



Network assets - substations



Network assets – transmission lines



Network assets – secondary systems



Network assets – telecommunications



Issues and impacts

Asset category	Transmission lines	Substation plant	Secondary systems	Telecommunications
Design life (years)	40 to 60	40	5 to 20	5 to 40
Major issues	<ul style="list-style-type: none"> Corrosion Extreme weather Conductor clearances 	<ul style="list-style-type: none"> Insulation failure Extreme weather Failure to clear a fault 	<ul style="list-style-type: none"> Component failure Obsolescence 	<ul style="list-style-type: none"> Component failure Obsolescence Corrosion Extreme weather
Potential impacts	<ul style="list-style-type: none"> Tower collapse Transmission line wire drop Bushfire Electrical danger Loss of supply 	<ul style="list-style-type: none"> Exploding plant dangers Electrical danger Structure collapse Loss of supply 	<ul style="list-style-type: none"> Failure to de-energise a fault Loss of supply 	<ul style="list-style-type: none"> Failure to de-energise a fault Loss of supply Loss of site functionality Tower collapse

Issues and impacts



Issues and impacts



Issues and impacts



Asset lifecycle

Planning and investment

- Decide if/when new assets are needed
- What assets and configuration are appropriate and economic for need
- What form those assets should take

Operation, maintenance & refurbishment

- Ensure asset remains fit-for-purpose over operational life
- Appropriate operation, maintenance and refurbishment plans
- Assess condition over time

End of life

- Evaluate when asset will reach end of life
 - Consider ongoing need for asset
- Consider planning and investment

Asset lifecycle management

Powerlink's asset lifecycle management is underpinned by:

- Compliance with statutory, regulatory, economic and stakeholder requirements
- Making informed decisions considering whole of lifecycle cost
- Balancing risk and expenditure
- Monitoring and utilising new technologies
- Continuous improvement

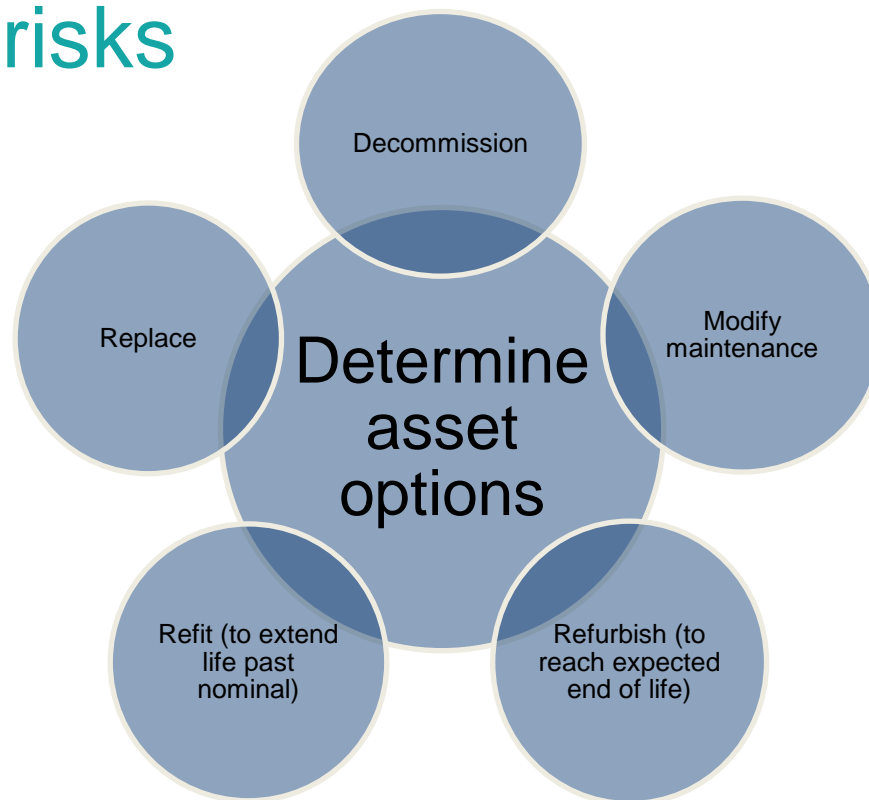
Determine end of life

- Carry out condition assessment
- Analyse performance (reliability, availability)
- Analyse costs (routine & non-routine maintenance)
- Determine probability and consequence of failure (assess and evaluate risk)

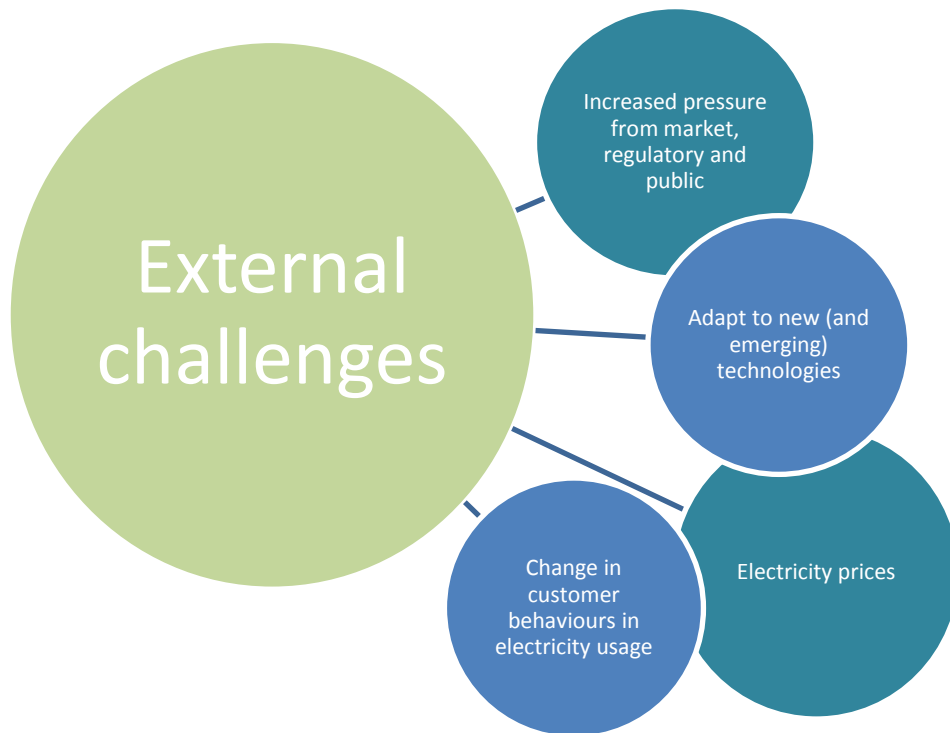
Assessing risks

- Quantitative risk approach (risk measured in \$)
- 7x7 Corporate Risk Matrix
- Main risk categories:
 - financial and contractual
 - legal and compliance
 - stakeholder and reputation
 - network operations (reliability)
 - safety
 - environment and cultural heritage

Assessing risks



External challenges



Customer Focused Asset Management: Why?

- To improve our customer focus
- Ensure we focus on holistic decisions
- Shift our focus to solutions not tasks
- Research indicates that customers want:
 - More say in solutions
 - Better collaboration
 - Mutually beneficial relationships

Customer Focused Asset Management: How?

- Understanding customers requires conversations
- Embed customer engagement into asset management
- Bring customers on the journey
- Seek unconventional inputs

Questions

We are interested in hearing from you on:

1. How could the views of customers and consumers be better incorporated into asset management to ensure we achieve the right balance between cost and reliability?
2. Which stage of the asset management lifecycle do you believe stakeholder input will create the best value and how can we best involve stakeholders during these phases:
 1. Planning and investment
 2. Operation, maintenance and refurbishment
 3. End of life
3. How else could Powerlink improve its asset management process to deliver the best outcomes for customers and consumers?

Afternoon tea

Transmission pricing consultation

Ben Wu
Pricing and Regulatory Specialist



Overview

- Purpose
- Proposed outline of Consultation Paper
- Potential pricing objectives
- Potential options
- Input from Panel

Purpose

To seek input on how Powerlink can provide more valued pricing outcomes to its customers.

We hear from stakeholders:

- Electricity prices are too high
- Affordability is a key concern
- Need better pricing signals
- Want greater price predictability
- Still want a reliable network

We are seeking to:

- Help users and Powerlink make better decisions
- Increase utilisation of our network
- Only invest in network where required

Proposed outline of Consultation Paper

- Purpose
- Consultation timeframe – may be up to 12 months
- Background and context for review
- Current prescribed transmission pricing arrangements
- Potential pricing objectives
- Potential alternative pricing approaches – conceptual level

Potential pricing objectives

Pricing objectives can be used to compare alternative pricing options.

Objective	Description
Equity/fairness	Change can be applied to <u>all</u> directly connected customers. We think this is necessary.
Price stability	Prices remain relatively stable over time i.e. minimise volatility.
Efficient price signals	Prices reflect the efficient costs of providing services.

Do you agree with these? What other key objectives should we consider?

Potential options

- Locational charging arrangements:
 - rebalance allocation between locational and non-locational components e.g. from 50/50 to 70/30
 - Modified Cost Reflective Network Pricing (CRNP)
 - Long Run Marginal Cost (LRMC) Pricing
- kVA charging
- Time of Use or Peak and Off Peak arrangements
 - Demand management
 - Operating conditions during peak times

For feedback today

1. Should Powerlink undertake this review? Why?
2. Are there any areas that should be removed or added to the Consultation Paper? For example, a different pricing objective or alternative pricing option we should consider.
3. How would you like to be engaged during this consultation process?

Close