

ESC Residential Connections Service Improvement Commitment 1H 2019 Performance report

08.07.19



Executive summary

Over the course of the past 6 months we've committed significant resources (people, time and investment) to deliver on the ESC Service Improvement commitments.

Whilst our work is not completed we have been able to improve our systems, process and methods of engagement and communication which have benefitted our stakeholders and customers.

This report outlines summarises our performance against targets at 5 key stages of the development and connection process






1. Master plan review
2. Design review
3. Construction audit
4. Practical completion
5. Construction tie in

We've also included additional performance information relating to design and audit quality

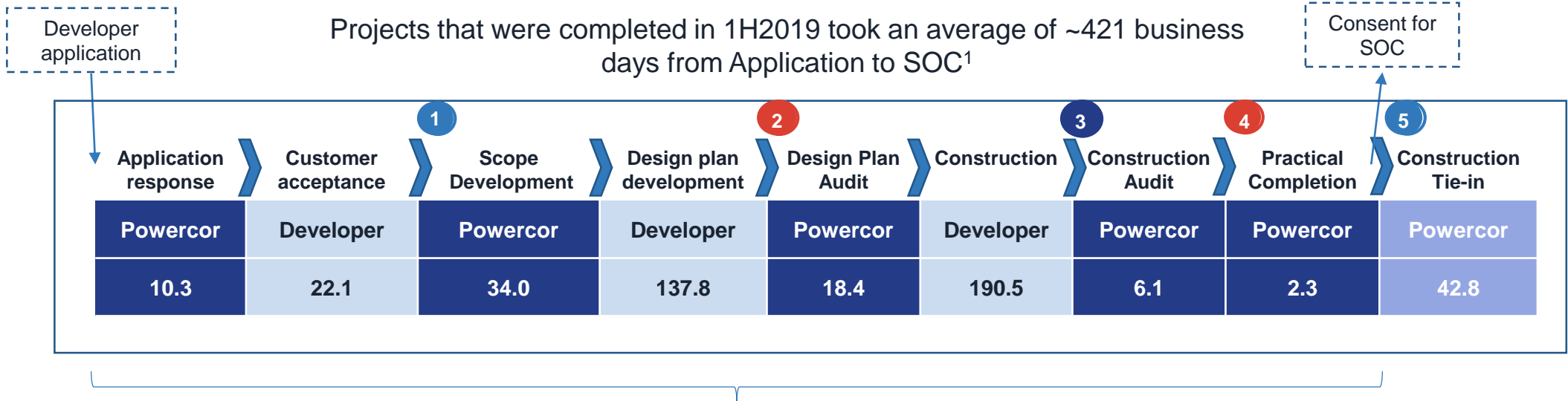
Key performance metrics

1H 2019

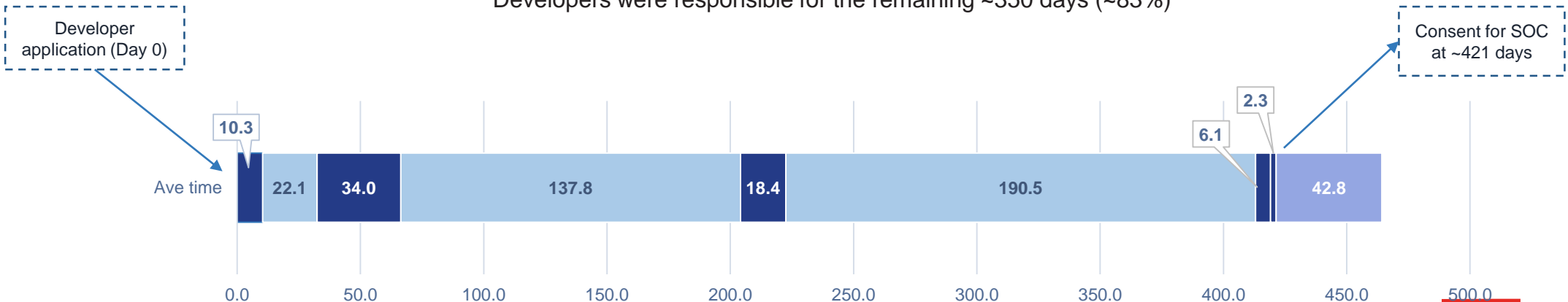
Powercor has committed to improving in 5 key stages of the connection process

Stage	Target	1H19 Performance ¹
 1 Master plan review	Replace staged scopes with a revised and contestable Master Planning process – this will remove network scoping from the critical path	New process 16.0 days ² Old process 34.0 days
 2 Design review	Target completion of design plan audits and re-audits within 20 business days	18.4 days
 3 Construction audit	Complete construction audit (from request to final report) within 5 to 8 business days	6.1 days
 4 Practical completion	Grant practical completion in less than 10 business days from request	2.3 days
 5 Construction 'tie-in'	Meet customer dates and implement new process to offer the option of a 20-business day construction tie in	New process being implemented 90% customer target date met in June

Project time with Powercor represented ~17% of the total job time in 1H 2019

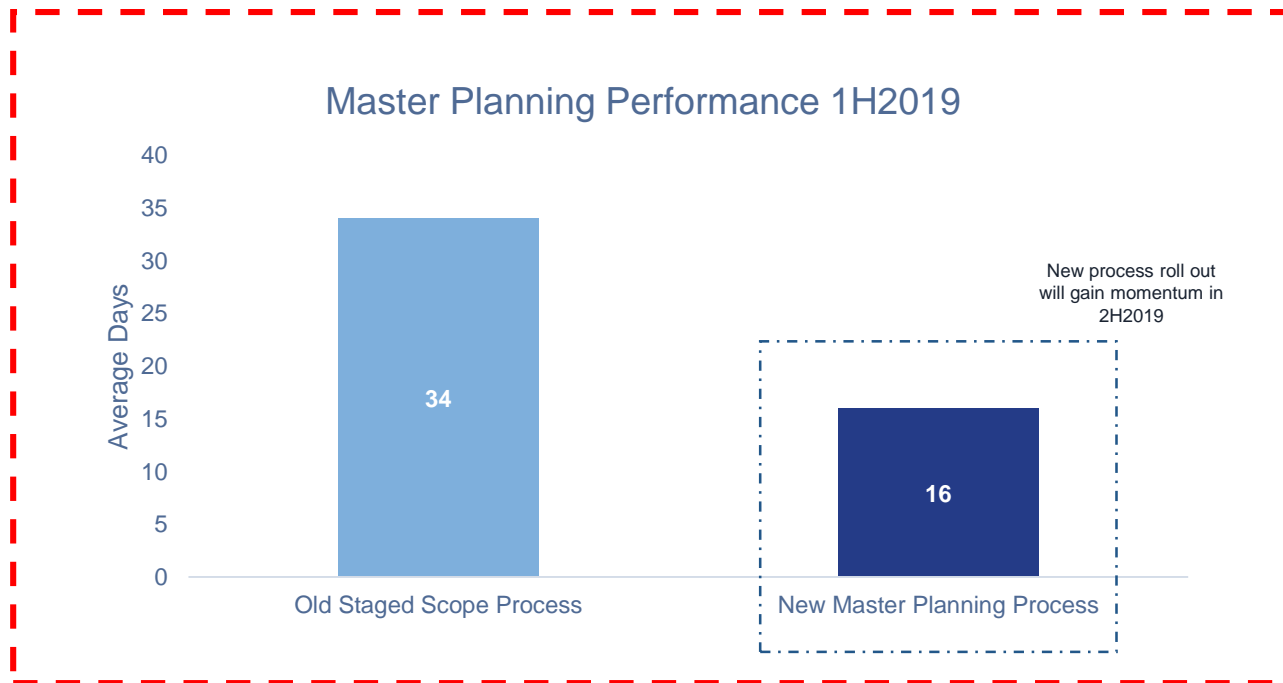
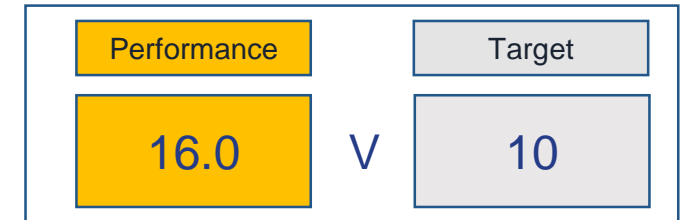
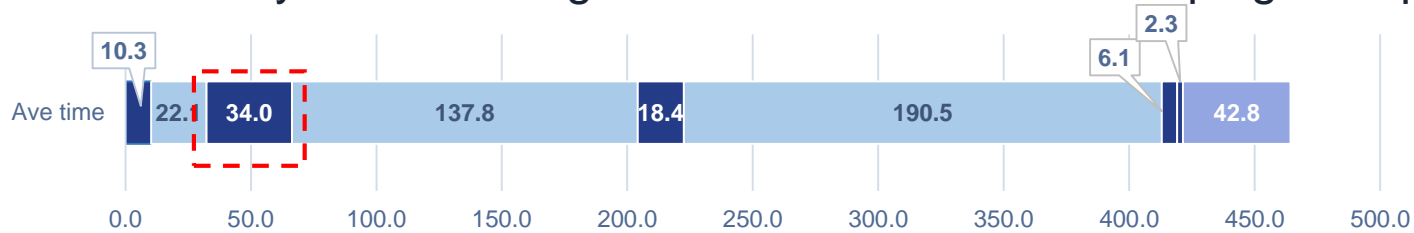


Powercor was responsible for an average ~71 business days (~17%) of project development time from application to SOC
 Developers were responsible for the remaining ~350 days (~83%)



Staged scopes are being replaced with a contestable Master Planning process

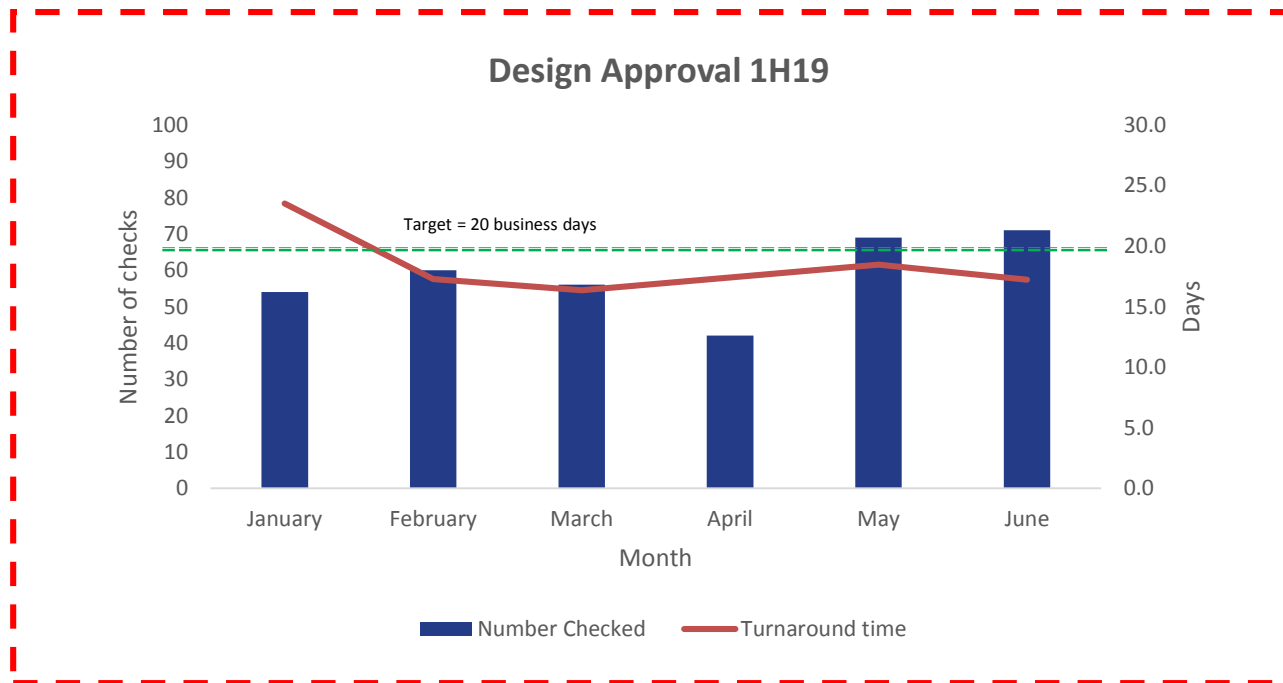
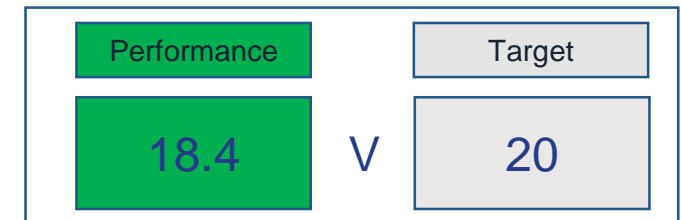
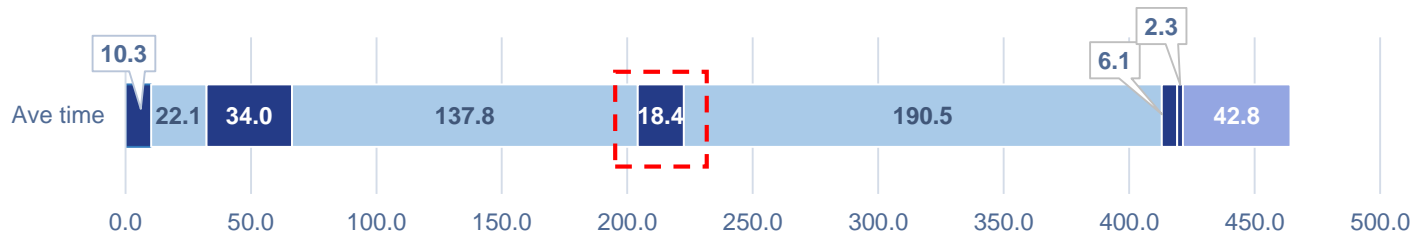
In the very early stages this change has resulted in a reduction in time frames from 34 to 16 days¹. The change also removes network scoping from project critical path.



- We recognised that the staged scope process was creating unnecessary delays
- We are trialling the new Master Plan review process on a small number of projects with positive results
- We are seeking to implement this process by the end of 2019
- Our target will be to turn these around in 10 business days significantly reducing timeframes

Our target is to complete Design review within 20 business days.

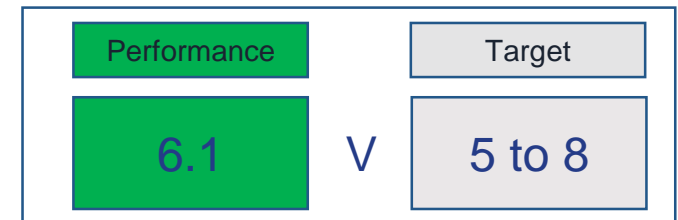
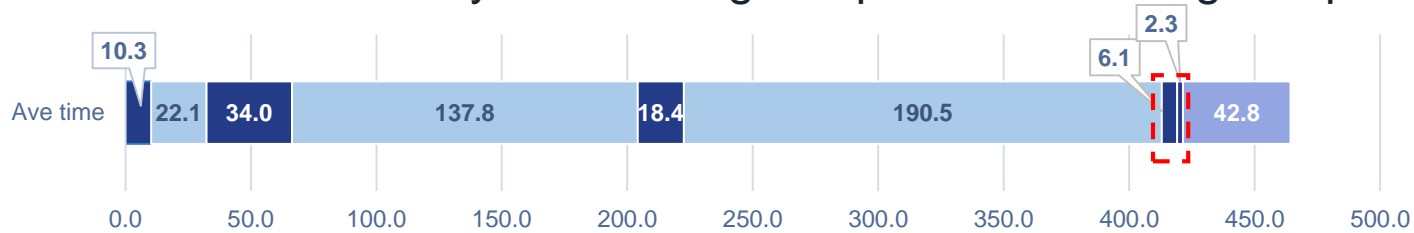
We've consistently been under 20 business days in 1H2019 averaging 18.4 business days



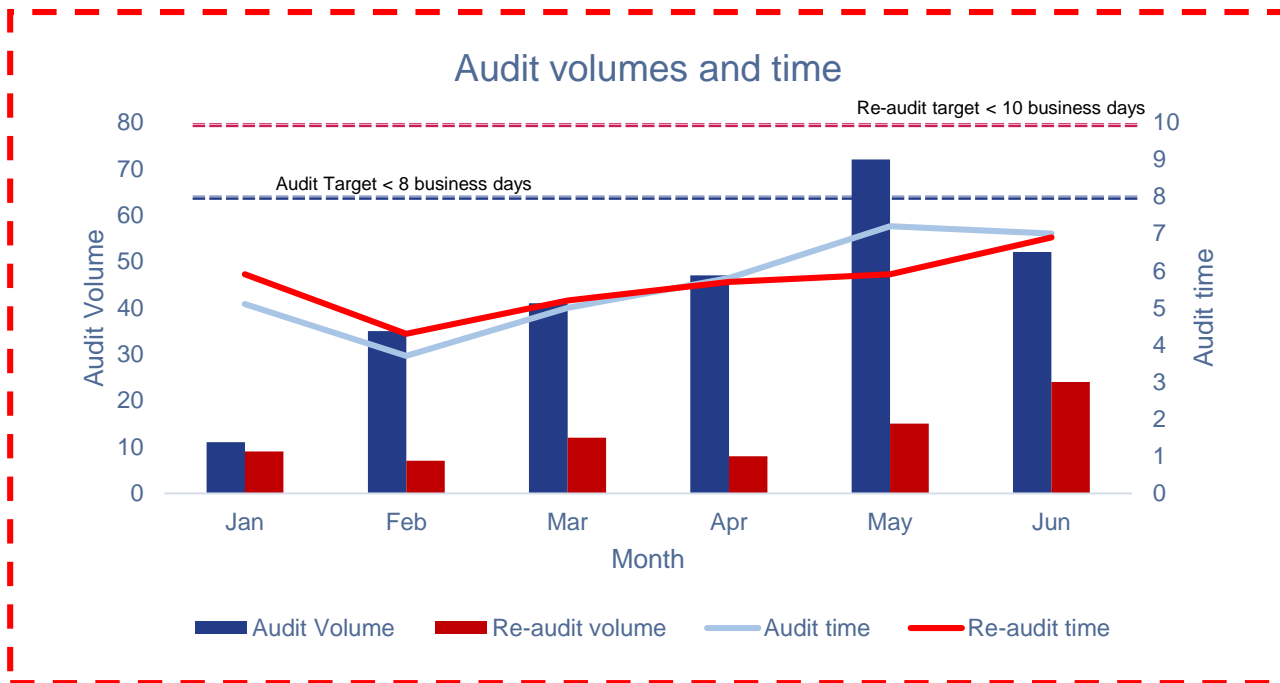
- Establishing our Contestable Works Team has been a key reason we've been able to meet this performance targets
- Quality of submitted designs can improve with only ~47.1% passing at the first check

Our target is to complete construction audits within 5 to 8 business days

We achieved 6.1 business days in 1H2019. Resourcing and improved processes have been the keys to meeting this performance target in periods of high demand

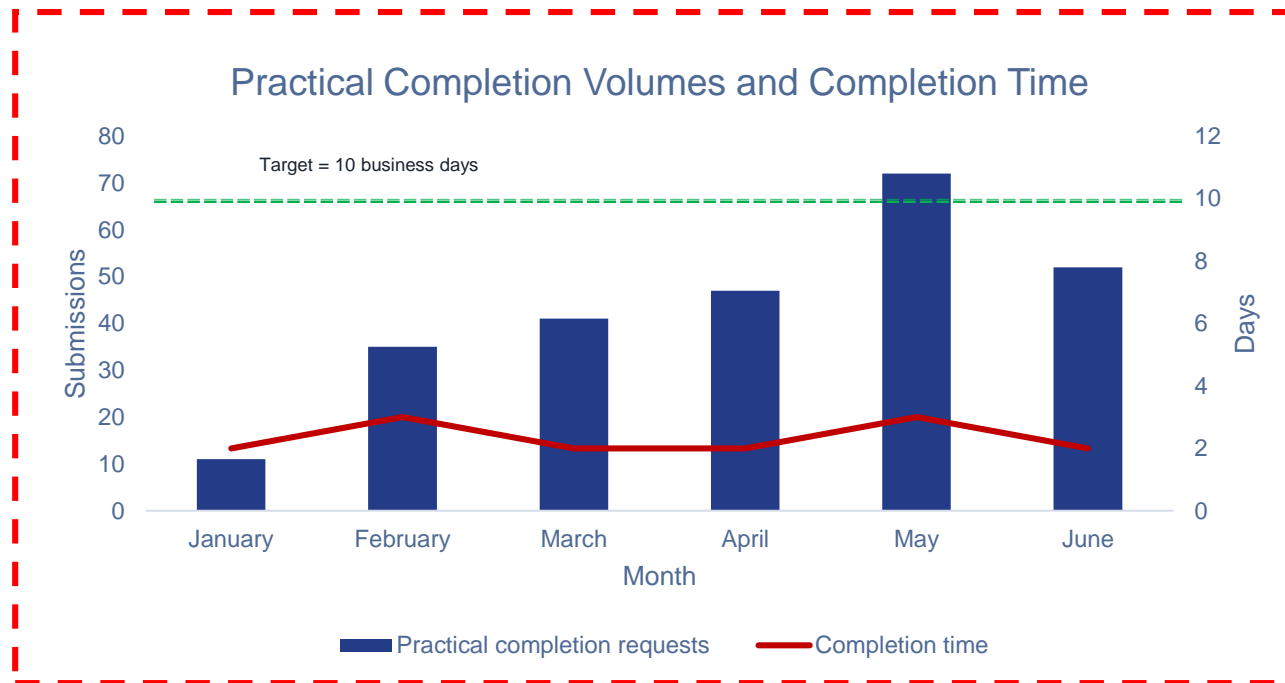
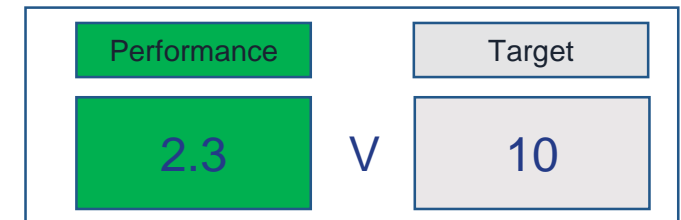
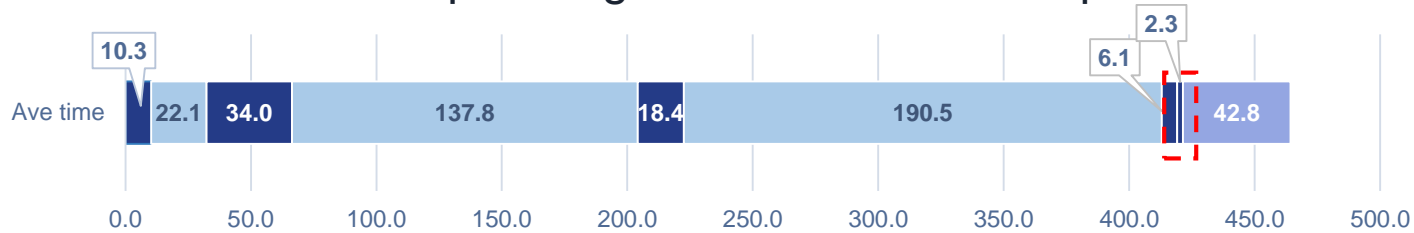


- ~85.6% of projects have not required a reaudit– up from ~71.7% in 2018¹
- May and June were very busy periods where we were able to manage work volume and meet target timeframes
- Stopped 'walk away' policy and implemented a process where all above ground items are audited at first audit to improve efficiency



Our target is to provide practical completion in less than 10 business days

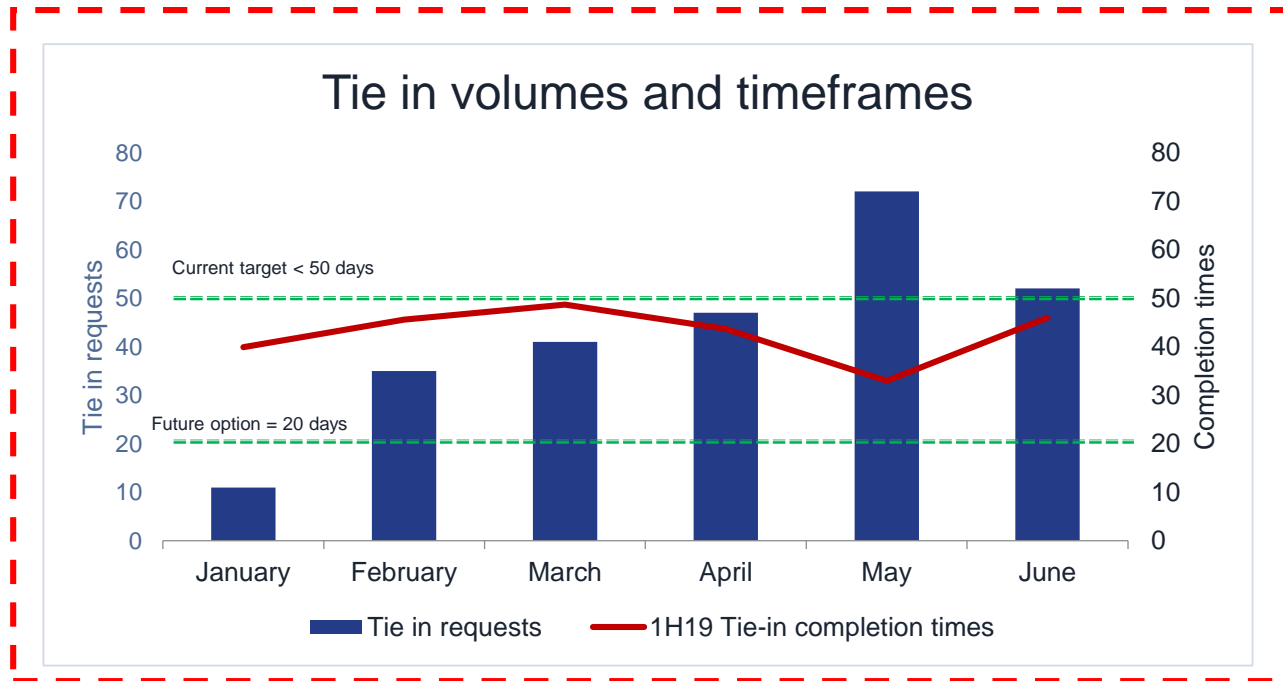
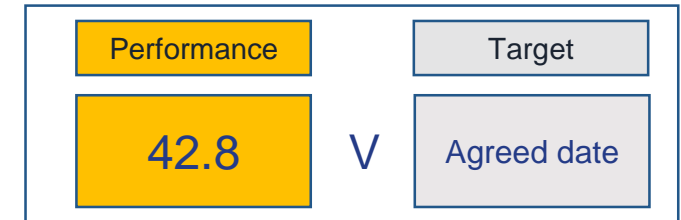
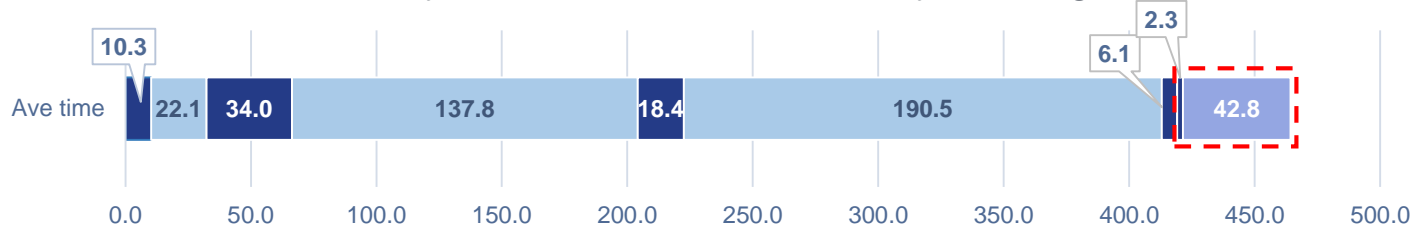
We achieved a result of 2.3 business days in 1H2019. Improved communication and a clear view of upcoming work has driven this performance



- We've streamlined this process to be able to consistently outperform this target
- We will continue to focus on stakeholder management and communication to maintain this performance

We are working to meet customer dates. We now provide a rapid service of 20 days¹

Our average performance YTD is 42.8 business days. We are offering the option of 20 business day tie-in and are currently trialing this with suitable projects



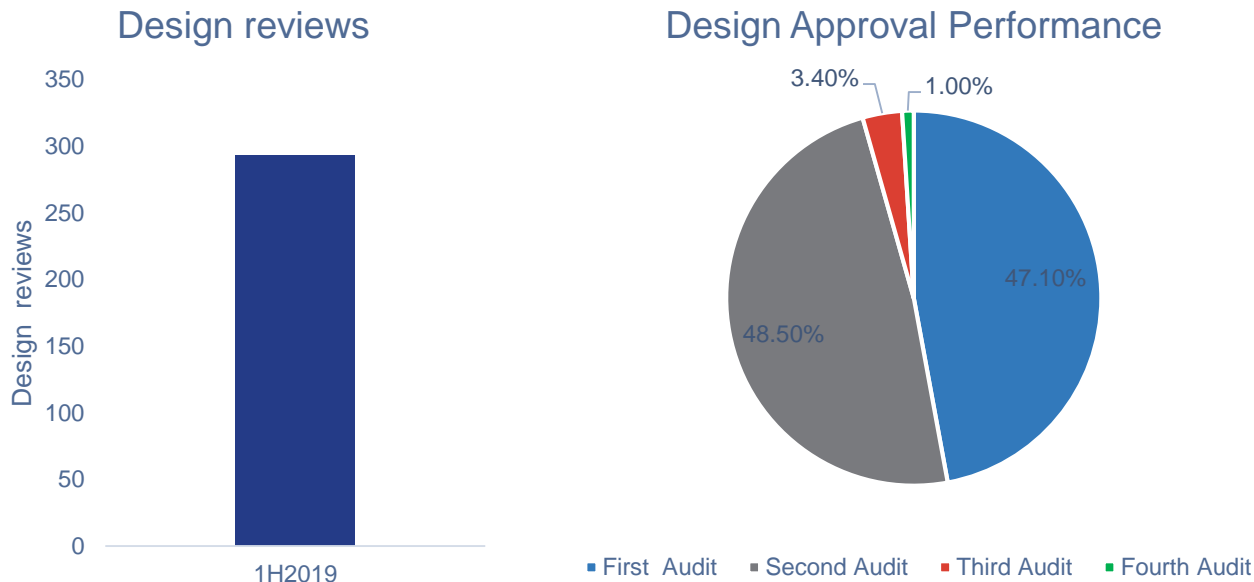
- We are trialling a 20 day tie in time frame for suitable projects
- We directly negotiate a tie in date with our customers – our focus is to deliver to these dates
- We achieved 90% delivery to customer dates in June
- Customers with industrial, commercial and public lighting projects have expressed interest in faster turnaround times

Additional performance information

1H 2019

Design quality can improve with only ~47.1% of submitted designs pass at the first check

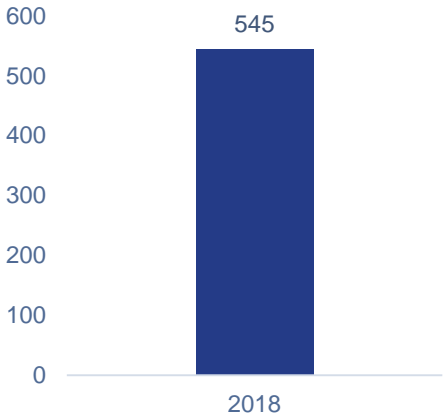
We continue to work with stakeholders to improve the quality of designs submitted. Improving quality here will reduce timeframes and improve construction quality



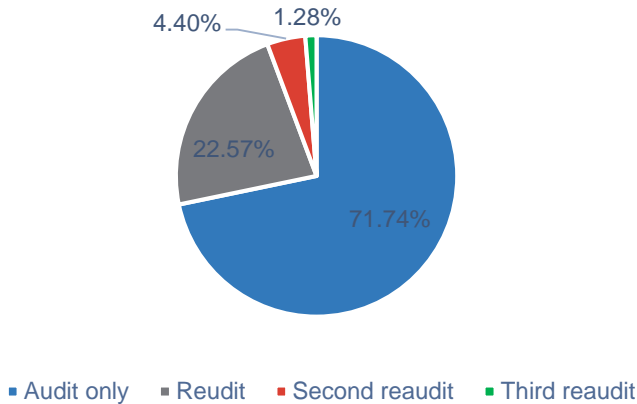
- Design quality has improved marginally in the past 12 months
- This is an area of focus for us with the design consultants
- Improvement here should further reduce delays
- Improved quality will reduce rework and in turn improve design plan approval times

In 1H 2019 ~85.6% of projects have not required a reaudit– up from ~71.7% in 2018¹

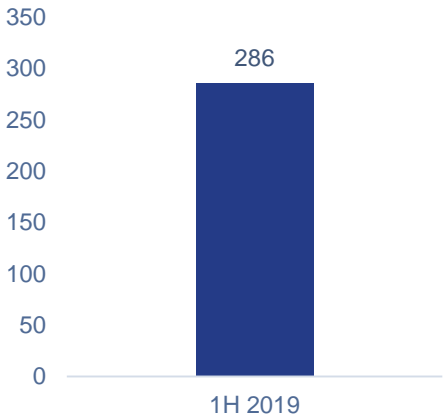
2018 Total Audits



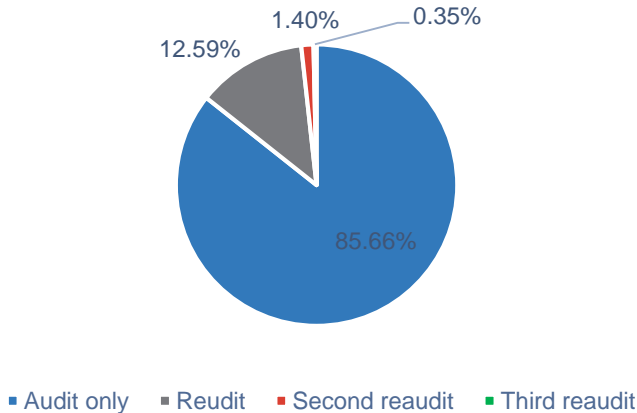
2018 Audit Performance



1H 2019 Total Audits



1H2019 Audit Performance

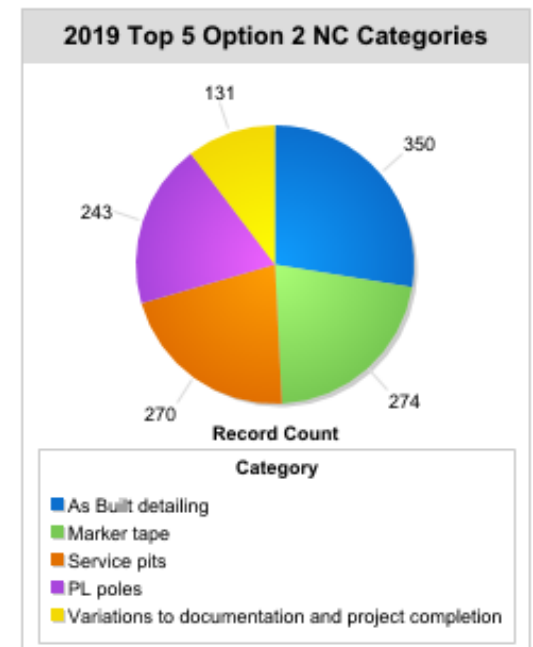
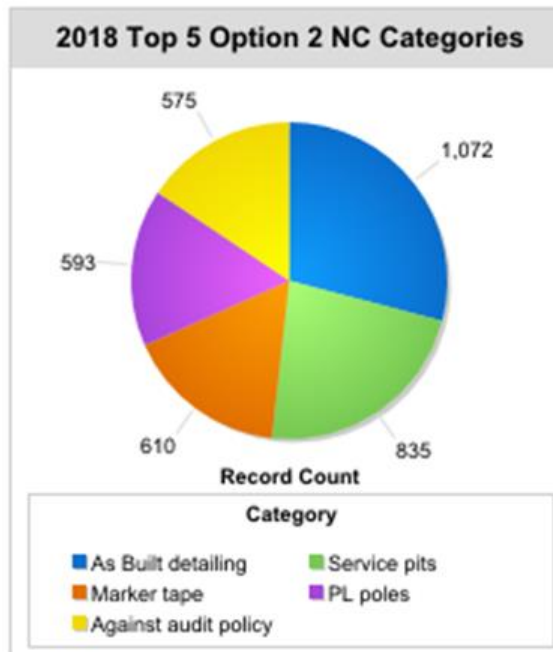
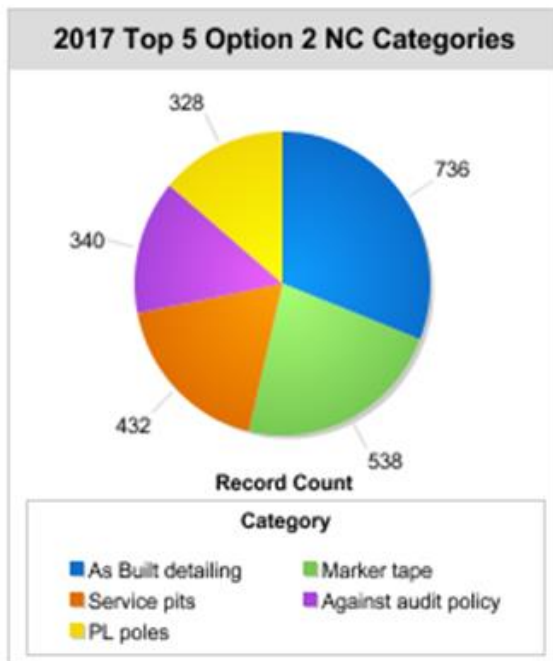


- A change in audit process is mostly responsible for the improvement
- We’ve ceased the failed audit ‘walk away’ policy and now complete a more extensive first audit
- We also allow for real time fixes or photographic evidence of fixed items rather than re-audit in certain circumstances

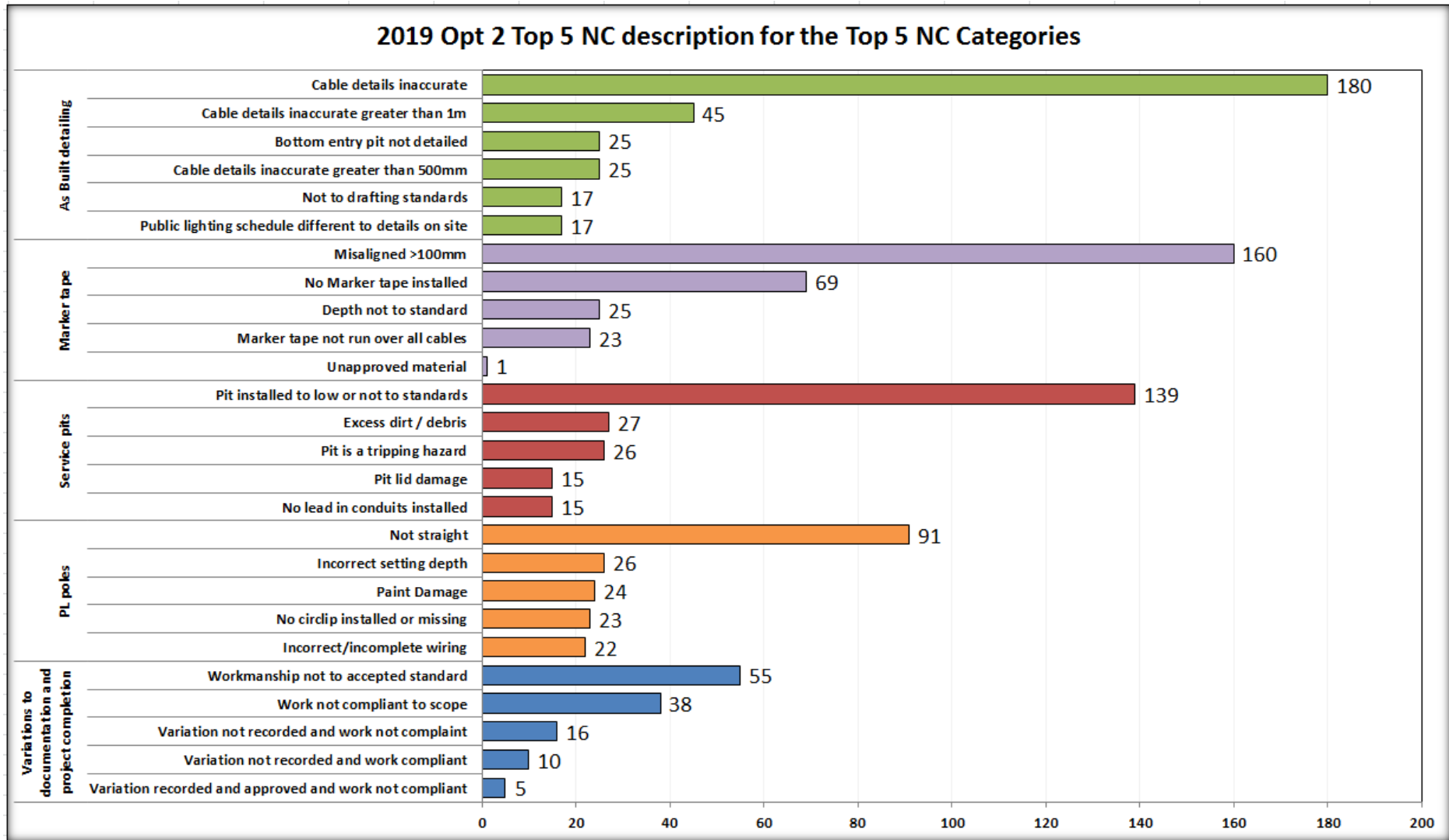
1. Few projects pass with zero non-conformances, most projects receive an unapproved status and their approval is subject to providing evidence that identified non-conformances have in been fixed. This sometimes happens in real time with the auditor on site or via the contractor providing photographic evidence of the fix at a later date

Trends in construction audit non-conformance trends (2017 to YTD 2019)

As-built detailing, service pit installation and misaligned (or non-installation of) marker tape are recurring construction audit issues that make up the majority of our audit non-conformances



2019 YTD top 5 construction audit non-conformance categories



Connections Volume and Performance 2019

VPN have completed **12,154** new 'line of mains' connections in the first half of 2019

Measure	CitiPower	Powercor	VPN
New Connections Volume Submitted any time, fulfilled 2019	2,274	9,880	12,154
New Connection Performance Days to Complete. Excludes jobs with appointments or by agreed date	3.81 Days	6.32 Days	6.17 Days
BTS Connections Meter Position = Temporary BTS	251	278	529
BTS Cycle Time Excludes jobs with appointments or by agreed date	2.61 Days	6.11 Days	4.50 Days
BTS via Appointment or Agreed Date Meter Position = Temporary BTS	55	48	103 (19%)
BTS Cycle Time Average days to complete for requests with an appointment or agreed date	17.98 Days	11.77 Days	15.08 Days
Temp Supply In Perm Requests to establish temporary supply in permanent meter position*	109	3,647	3,756
Temp Supply in Perm Cycle Time Average days to complete for requests to establish temporary supply in a permanent meter position^	4.99 Days	6.28 Days	6.24 Days

*Temp in perm based on service order sub type "Establish Temporary in Permanent" & "Establish Temporary Supply"
^No requests for temporary supply in a permanent meter position were fulfilled via an agreed date or an appointment