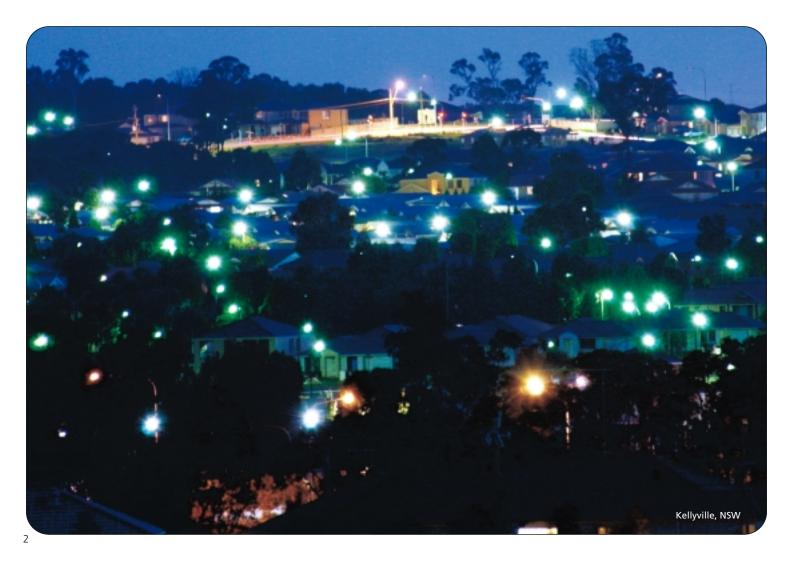
Customer Consultative Committee

Annual Report 2004

INTEGRAL

The power is in your hands





About us



Integral Energy manages electricity and delivers power to more than 2.1 million people in 820,000 homes and businesses around Australia. We have a \$2 billion network made up of 27,000 zone and distribution substations, 390,000 poles, 175,000

streetlights and 33,800km of overhead and underground cables. We connect 18,000 new customers each year. Reliability, quality and value for money are the fundamentals of service to our customers.

Northern Region

Central Region

Southern Region

Cover photo: Students from Mount St Thomas Public School. The environment and sustainability is a core component of the school's curriculum and they were one of the first to receive solar panels from Integral Energy's 'Solar for Schools' scheme.



What does the committee do?

To help us achieve our goals, we work closely with our Customer Consultative Committee This committee provides effective customer and community input into policy, planning and decision making. The major role of the committee is to provide input on a wide range of important customer and community centred issues. The committee enhances the climate of trust between Integral Energy and the community by maintaining an open approach to all energy issues.

Integral Energy encourages committee members to take a proactive, consultative approach within their individual representative groups to enhance Integral Energy's knowledge of the issues that affect the broader community. From the information provided at committee meetings, field trips and seminars, committee members have been equipped with the skills and knowledge to achieve this objective.

Pictures from the Customer Consultative Committee 2004 field trip to Futureworld Eco-Techology Centre, Power Quality and Reliability Centre at the University of Wollongong and Mount St Thomas Public School.





Who is on the committee?

The 12 members on the committee represent important stakeholder groups such as senior citizens, residential and business customers and the Aboriginal community.

General Manager Regulatory and Corporate Affairs, Karen Waldman, is chair of the committee. In addition, Manager Regulatory and Pricing, David Neville; Manager Corporate and Government Affairs, Kate McCue; and, Community Relations Support, Kandice Wright, assisted the work of the committee. Committee members are:

■ Marta Aquino Community Relations Commission (NSW)

Vivian Farquharson Senior citizens/general customers

Ted Floyd Nature Conservation Council of NSW

I Jonathan Fowler Small Business Association of Australia

Joan Gennery Western Sydney Community Forum

Pamela Gilbert Country Women's Association

David Gordon Residential customers

Elizabeth Hurtt Australian Consumers' Association

Paul Knight Illawarra Aboriginal community

Tim Lewis Illawarra business community

Betty Scott Residential customers

David Morgan Williams Business customers

Significant contributions

Integral Energy values its customers, their comments and opinions. To ensure we satisfy our customers, the committee focuses on service and reliability issues that affect all customers.

The committee met five times between March and November 2004. Drawing on the advice of respected, independent, industry experts, along with members of Integral Energy's staff, the committee contributed to important discussions on topics including:

- Demand Management
- Customer Assistance procedure
- Solar for Schools
- Integral Energy's retail products
- regulatory and pricing strategies
- environmental issues
- power quality and reliability
- ecologically sustainable development
- time of use electricity meters
- customer service
- Customer Care

In September 2004, the committee made a field trip to the Illawarra region, to learn more about our network and some of the environmental initiatives Integral Energy has supported. The committee visited the Power Quality and Reliability Centre at the University of Wollongong; Mount St Thomas Public School; Futureworld Eco Technology Centre; and, Integral Energy's Springhill field service centre.

September 2004 field trip

Power Quality and Reliability Centre

Integral Energy has funded the Power Quality Centre since 1996 and in August 2004 the organisation resigned an agreement with the University to provide funding for a further three years. The centre's objective is to work with the electricity supply industry and their customers to improve the quality and reliability of electricity supply to industrial, commercial and domestic users through areas such as research, training and consulting. Reliability research will be a major focus for the centre over the next three years.

During the field trip visit the committee learned to differentiate between power quality (disturbances that travel through the electricity supply network, which can affect connected equipment) and power reliability (unavailability of electrical supply).

They also saw a number of demonstrations to illustrate how electricity disturbances affect voltage waveforms and discussed the centre's current research on the impact of airconditioners on the network, which is of great interest to the organisation.



Hands on demonstrations at the Power Quality and Reliabilty Centre, University of Wollongong.

Solar for Schools

Earlier in the year, the committee was briefed on Integral Energy's Solar for Schools program, which involves the installation of solar panels on schools within our franchise. Mount St Thomas Public School was one of the first schools to receive solar panels under this program. The committee participated in the school's

The committee attended Mount St Thomas School's environmental walk, which showcased their vast array of environmental and sustainability initiatives.

environment walk, which highlights all the innovative environmental programs the school has developed over the years, including the solar panel donated by Integral Energy. The committee was very impressed with the school and their worthwhile work to support the environment and their local community.

Futureworld Eco-Technology Centre

Integral Energy has been a supporter of Futureworld Eco-Technology
Centre since it opened in 2002, donating a mini eco-house display.
In May 2004, Integral Energy donated solar panels, which are connected to the electricity grid.

The centre was established to educate people about the environment and to encourage personal and technological

Dr Judy Messer, President Futureworld Eco Technology Centre explains one of the many displays at the centre to members of the committee.

change to protect the future of our environment. The committee toured the centre and participated in many of the hands-on demonstrations, which provided valuable insight into the environmental issues.

Springhill substation

Integral Energy's Springhill substation is the second largest in NSW. The committee toured the substation and received valuable information about some of the unusual characteristics of the network. The committee also went inside the control room located in the centre of the substation, to see first-hand how electricity is

transferred and how the organisation can determine which lines are faulty.



Mr Gary Brennan, Transmission Manager Southern Region talking to committee about the Springhill substation.

Achievements

At its first meeting of 2004, the committee developed a work plan to establish the topics they were interested in pursing during the year that impacted on their stakeholders. The topics below indicate some of the committee's major achievements during the year.

Demand Management

Demand Management (DM) is becoming an essential part of business, which is being driven by key stakeholder groups including government, regulatory and environmental bodies, customers and competitors.

The committee was very interested in

Integral Energy's DM programs and was regularly kept informed about new developments.

Advice received included Integral Energy's draft DM strategy, new DM programs that have commenced at Castle Towers (in partnership with the Department of Energy, Utilities and Sustainability) and Blacktown, and our future plans.

Ecologically sustainable development

In 2003 the committee expressed its interest in ecologically sustainable development. As a result, in 2004 a guest speaker from the Department and Energy, Utilities and Sustainability

attended a meeting to provide the committee with an overview of ecologically sustainable development, initiatives for new developments and existing homes, air conditioning and solar power.

The committee was also informed about BASIX (Building and Sustainability Index), an important new policy for energy efficiency in new housing.

Customer assistance

The committee was asked to comment on our new **Customer Assistance Procedure,** which applies to residential customers only. Our **Customer Care** group manages the



Achievements

procedure, which aims to assist customers to pay their accounts and remain connected. When a need for help is identified, *Customer Care* works closely with the customer to provide valuable advice, develop an agreed payment plan, provide information on budgeting and financial planning, and/or provide an energy audit.

The committee saw the program as very beneficial to customers and provided comprehensive and valuable feedback, which was reviewed and incorporated into the final procedure.

New regulatory determinations

The **2004-2009 network and 2004-2007 retail pricing determinations** came into effect on 1 July 2004.

As part of the regulatory process, the committee was kept informed of Integral Energy's submissions on network revenue, pricing arrangements and regulated tariffs.

The review also detailed the regulatory framework and the role that the regulator, the Independent Pricing and Regulatory Tribunal (IPART) plays.

The committee was also advised about

the impact of price increases and some of the pricing initiatives that are currently under way. The most significant change to Integral Energy's regulated retail tariffs is the introduction of Increasing Block Tariff (IBT) whereby a higher rate will be charged for electricity usage above a defined threshold each quarter.

It was important for Integral Energy to consult with the committee on these subjects so that we understood the implications for various customer groups.

Small business communication

The committee was interested in learning about how Integral Energy communicates with small and medium business customers and was provided with an overview of Integral Energy's Small and Medium Business plan for 2004/05.

Since the introduction of full retail competition, there are a number of key challenges facing Integral Energy. The committee was advised about the marketing strategy and targeted plans that our Sales and Marketing group has developed to address these challenges.

The committee was also advised how Integral Energy communicates the benefit of Demand Management to small business through pamphlets and newsletters that provide information on potential initiatives customers can incorporate to reduce energy consumption.

Open communication

Integral Energy is determined to achieve open and honest communication with its customers. To assist this process, the committee provided valuable feedback on contracts and other customer related documents. The committee was advised of changes to our Business

Security Deposits arrangements and the Customer Service Standards contract. The committee reviewed documents to ensure that customers were aware of their rights and responsibilities in an easy-to-read format.

The committee was also advised about changes to network prices and the energy price guide, which include information on the new tariff structure and electricity prices that were effective from 1 July 2004.

Contacting the committee

The committee welcomes feedback and comments about Integral Energy customer service issues. If you are interested in the work of the committee, or would like to receive more information, please write to:

The Chairman
Customer Consultative Committee
PO Box 6366
Blacktown NSW 2148

The committee is not a dispute handling body. If you have a problem that needs resolving, please advise Integral Energy of your concerns by calling 131 002 or in writing to:

Manager Customer Care PO Box 6366 Blacktown NSW 2148

You can also visit our website www.integral.com.au

We will investigate your issue thoroughly and advise you of the outcome. If you are not satisfied, you have the right to have your complaint reviewed at a higher level.

If you are not satisfied with this outcome, you can refer to our *Procedures for Customer*Complaints, Appeals and Disputes or we can refer you to the Energy and Water Ombudsman of NSW

