

ENFORCEABLE UNDERTAKING

ESSENTIAL SERVICES COMMISSION ACT 2001

Undertaking to the Essential Services Commission under section 54ZD of the *Essential Services Commission Act 2001*

by

Jemena Electricity Networks (Vic) Limited (ACN 064 651 083)

1. Person giving this Undertaking

- 1.1. This Undertaking is given by Jemena Electricity Networks (Vic) Limited (ACN 064 651 083) (JEN) to the Essential Services Commission (Commission), for the purposes of section 54ZD of the *Essential Services Commission Act 2001* (ESC Act).
- 1.2. JEN holds an electricity distribution licence issued by the Commission.
- 1.3. JEN owns and operates an electricity distribution network in north-west greater Melbourne.

2. Background

- 2.1. A planned interruption was scheduled by JEN to undertake work to replace four High Voltage (HV) and Low Voltage (LV) poles on Bell Street, Heidelberg Heights.
- 2.2. The planned interruption was scheduled to take place between 8:00am and 4:00pm on Sunday, 16 April 2023, and planned to affect 37 customers who received written notice from JEN about the interruption.
- 2.3. Due to an error relating to the identification of the network switches, the work undertaken on 16 April 2023 resulted in a larger than expected section of JEN's network being interrupted in Heidelberg Heights. As a result, JEN interrupted supply to one registered life support customer and 48 non-life support customers for 33 minutes. These customers did not receive written notice from JEN about the interruption.
- 2.4. Upon becoming aware of this error, JEN acted immediately to verify the interruption and restore power to the affected customers.

3. Acknowledgement and resolution

- 3.1. JEN acknowledges that its failure to notify the 49 affected customers of the planned interruption on 16 April 2023 contravened clauses 11.5.1(a) and (b) of the Electricity Distribution Code of Practice (version 1) (EDCOP).
- 3.2. JEN self-reported this matter to the Commission on 18 April 2023 in compliance with its reporting obligations.
- 3.3. In response to this incident, JEN undertook the following remediation activities:
 - a. restored power within 33 minutes;
 - b. contacted the affected life support customer's preferred contact and conducted a welfare check;
 - c. conducted an investigation into the causes of the incident;
 - d. conducted staff refresher training in relation to switching instructions; and
 - e. corrected the network model for the relevant switch in JEN's digital systems to align with the physical representation of that switch.
- 3.4. Subsequent to this incident occurring, but also in response to previously identified compliance issues, JEN has undertaken the following remediation activities in relation to its planned interruptions processes:
 - a. engaged an independent expert to review and prepare a report concerning JEN's compliance controls in respect of clause 11.5 of the EDCOP;
 - b. implemented the recommendations from that independent expert report;
 - c. regularly reported to the Commission regarding the independent expert's review, its report and JEN's implementation of the expert's recommendations; and
 - d. implemented further compliance controls in relation to JEN's planned interruptions processes, including system improvements and increased training of relevant staff and contractors.
- 3.5. Further to the actions described in paragraphs 3.3 and 3.4, JEN undertakes that it will, on and from the Commencement Date (see paragraph 4.1), and at its own expense:
 - a. implement a Compliance Improvement Action Plan (the Action Plan) in accordance with the requirements and timeline set out in Annexure A; and
 - b. maintain the Action Plan for a period of two years from the Commencement Date.

4. Commencement and Term of Undertaking

4.1. This Undertaking comes into effect when:

- a. the Undertaking is executed by JEN;
- b. the Undertaking so executed is accepted by the Commission; and
- c. Jemena is given notice of the Commission's acceptance of the Undertaking (**Commencement Date**).

4.2. The Undertaking remains in effect for two years from the Commencement Date.

5. Compliance with Undertaking

5.1. In the event that JEN has reason to believe that it has not complied with a requirement of this Undertaking, it will report that possible non-compliance to the Commission within five business days.

5.2. JEN will provide further information or particulars to the Commission concerning any possible non-compliance reported to the Commission within a reasonable time upon request by the Commission.

6. Maintaining Records and Monitoring of Undertaking

6.1. JEN commits to maintaining records confirming any actions, steps, or measures it takes pursuant to meeting the terms of this Undertaking, and retaining those records for a period of at least seven years following the conclusion of the Undertaking.

6.2. JEN will produce any records in relation to any actions, steps, or measures it is required to take under this Undertaking to the Commission if requested during the term of the Undertaking or within seven years following the conclusion of the Undertaking.

6.3. JEN will provide reports to its senior management, including the Managing Director of SGSP (Australia) Assets Pty Ltd (Jemena Group), on a monthly basis addressing the progress, implementation of and compliance with the Undertaking.

6.4. Following commencement of the Undertaking, at six-month intervals, JEN will make a report to the Commission on progress made toward implementing the terms of the Undertaking.

6.5. Within one month of the conclusion of the term of the Undertaking, JEN will provide a final report to the Commission on its implementation of, and/or compliance with, the terms of the Undertaking.

7. Acknowledgements and Publication of Undertaking

7.1. JEN acknowledges that:

- a. the Commission will make this Undertaking publicly available by publishing it on its website and in its online Register of Enforcement Action;
- b. the Commission may, from time to time, make public reference to this Undertaking including in news media statements and in Commission publications; and
- c. this Undertaking in no way limits or affects any rights or remedies available to any other person arising from the incident.

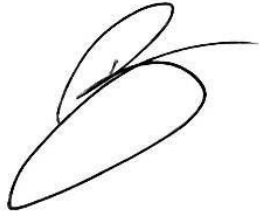
7.2. JEN commits to publishing a copy of the Undertaking on a website maintained by JEN for the period of the Undertaking.

7.3. JEN commits to publishing a notice summarising the purpose and key terms of the Undertaking, to be approved by the Commission, prominently on a website maintained by JEN for the term of the Undertaking or a period agreed by the Commission.

7.4. JEN acknowledges it must pay all its own costs in relation to this Undertaking including costs associated with remediation or compensation associated with the Undertaking, and costs related to implementation of the Compliance Improvement Action Plan.

Executed as an Undertaking

Executed for and on behalf of Jemena Electricity Networks (Vic) Limited (ACN 064 651 083)
in accordance with section 127 of the *Corporations Act 2001*:



Signature of director

Signature of company secretary

DAVID GILLESPIE

RICHARD HARRIS

Name of director

Name of director/company secretary

6 March 2024

6 March 2024

Date

Date

Accepted by the Essential Services Commission pursuant to section 54ZD of the *Essential Services Commission Act 2001* and signed on behalf of the Commission:



13 March 2024

Kate Symons, Chairperson

Date

ANNEXURE A: Compliance Improvement Action Plan

JEN undertakes to implement the Compliance Improvement Action Plan by undertaking the actions set out in this Annexure.

Compliance processes

1. JEN will formalise the following monitoring and internal reporting processes – initially introduced on a short-term basis – into appropriate policies and procedures:
 - a. near-real-time alerts to senior management and executive management to report on potential incidents on the network as they happen by 30 April 2024;
 - b. cross-checking of notifications, instructions and any features of the network or outage that may require closer management prior to all planned outages by 30 June 2024;
 - c. system scripts that send automatic reports to management and the compliance team daily to outline the full list of life support letter distribution and reconciliations to ensure no customers have been missed by 20 December 2024;
 - d. weekly compliance management reporting with a clear escalation path through to executive management and the Jemena Group Board by 31 May 2024.

Training

2. JEN will provide:
 - a. annual compulsory training on EDCOP requirements for all relevant existing personnel, and training at induction for relevant new personnel by 30 June 2024;
 - b. additional specific training on the requirements of clause 11.5 of the EDCOP and JEN's related compliance policies and procedures to key personnel whose roles directly relate to planned interruptions by 30 September 2024.

Operational improvements

3. JEN will implement the following operational improvements to reduce planned outage risks by:

- c. enhancing JEN's Geographic Information System to include visibility of any abnormal switch status to enable better planning of outages by 31 October 2024.
- d. improving the alignment between JEN's physical network and its digital network model, specifically by:
 - i. establishing reporting capabilities to enable proactive review to identify customer connection service orders where data upload has not occurred by 20 December 2024;
 - ii. delivering a dashboard highlighting discrepancies for the Network Operations team to analyse unplanned and planned outages and conduct checks against the model by 31 July 2025;
 - iii. providing modifications to LV reticulation at completion of works in the field to improve alignment between the digital model and the physical network by 20 December 2025;
- e. extending its labelling standard to reduce the risk of errors during outage switching by clearly identifying the correct switch when multiple switches are at a location by 30 September 2025.