



Aurora Energy

Mid-period review on consumer consultation

27 February 2024

Disclaimer

This report has been prepared by Farrier Swier Consulting Pty Ltd (farrierswier) for the sole use of Aurora Energy Limited (Aurora) and the New Zealand Commerce Commission (Commission). This report is supplied in good faith and reflects the knowledge, expertise and experience of the consultants involved. The report and findings are subject to various assumptions and limitations referred to within the report, and supporting papers. Any reliance placed by a recipient of the report upon its calculations and projections is a matter for the recipient's own commercial judgement. Farrierswier accepts no responsibility whatsoever for any loss occasioned by any person acting or refraining from action as a result of reliance on the report.

Contents

EXECUTIVE SUMMARY	ii
1. SCOPE OF OUR REVIEW	1
2. AREAS FOR IMPROVEMENT	3
3. AURORA'S ENGAGEMENT PROGRAM	8
4. PRICING AND RELATED INFORMATION	11
5. ADR ANNUAL SUMMARIES AND SELF-ASSESSMENT	16
6. OTHER ENGAGEMENT OBLIGATIONS	24

LIST OF TABLES

Table 3.1: Council engagement	10
Table 4.1: Engagement on pricing and related information	11
Table 5.1: ADR engagement activities on annual summaries and self-assessment	16
Table 6.1: Other engagement obligations	24

Executive summary

Farrierswier has been engaged by Aurora to complete a mid-period review of its progress in developing its consultation practices with consumers as stipulated in clause 2.8.5A(3) the Electricity Distribution Information Disclosure (Aurora Energy Limited) Amendment Determination 2021 dated 31 August 2021 (Determination).

Clause 2.8.5A(3) of the Determination requires an independent expert to complete a mid-period review of Aurora's progress in, and make any recommendations for Aurora to improve on, developing its consultation practices with consumers, including those regarding changes to Aurora's customer charter, consumer compensation arrangement, and the additional pricing methodology disclosures under clause 2.4.5A. Under the terms of reference for the review, we are to assess Aurora's conduct, which includes progress and recommendations, against good electricity industry practice (GEIP)¹.

We set out the findings of our review below.

OUR FINDINGS

We completed our review by assessing publicly disclosed material² that Aurora has made available for the various engagement related obligations set out in the Determination. The public material we assessed was that made available by Aurora on its website and on its social media platforms (Instagram and Facebook). In some instances we asked Aurora for material presented at public forums which was not available on Aurora's website or social media platforms (we have noted in our report where this applies).

Overall we consider that Aurora has done a good job of developing its consultation practices with consumers, and maintained a level of engagement consistent with the Customised Price Path (CPP) process, consistent with good GEIP. Aurora used a wide range of engagement forums across a good range of topics. Specifically, we consider that – based solely on the publicly disclosed material – Aurora has met GEIP in the following areas:

1. the layout and disclosure of information on its updated website
2. the use of social media to provide relevant community updates and communication of upcoming events and consultation
3. its community communications (the 6 monthly *Your Network*, *Your News* and community updates)
4. its reach to encourage appropriate consumer participation in its engagement activities
5. preparation of certain material for consultation, including detailed reports and summary presentations. For example, its Annual Delivery Reports (ADR) – including measuring of impacts –

¹ We consider that GEIP in the context of our review means that Aurora's engagement activities and supporting material meet or exceed those undertaken and prepared respectively by a significant proportion of regulated electricity distribution network businesses operating in Australia and New Zealand. We have drawn from our experience working with and observing such businesses when assessing Aurora's consultation practices.

² We consider that publicly disclosed material includes information published by Aurora on its website and on its social media platforms (Instagram and Facebook) at the time of our review, and information presented to the public but not published by Aurora on its website or social media platforms. In our view, GEIP does not require that all information relating to consumer consultation be published. Practices consistent with GEIP could be evidenced by information that was not publicly disclosed (e.g. information as to the behind the scenes practice by Aurora). However, given the scope of our review and requirements of the Determination, we have not considered that information when forming our opinions in this report.

and its CPP disclosure summaries which are very user friendly and informative one pager sub-plans (for example, its Customer Charter development plan; and, more recently Aurora's proposed Customer Commitments and Customer Service Standard Payment Scheme.

We note that given the limit in the scope of our review to only consider publicly available information, our conclusions as to whether Aurora has met GEIP are necessarily constrained. We consider that it is common practice that a lot of what makes up GEIP customer or consumer engagement is not publicly disclosed (e.g. how a business has planned, addressed or reflected on feedback etc). So – where relevant – our conclusions should not be taken as saying that Aurora as not met GEIP, but rather we have seen no evidence in some instances for us to confirm that it has.

We note the following areas for potential improvement, which we discuss in more detail in section 2. We consider that these areas for potential improvement build on what Aurora is already doing to align with GEIP consultation practices with consumers on various matters, and if implemented by Aurora in the future may further assist consumers in their understanding of matters, or facilitate their easy access to information.

1. **Consumer engagement:**

- a. Where resources allow, Aurora should consider using its Customer Advisory Panel (CAP) and Customer Voice Panels (CVP) established for its CPP consultation program, /and/or engaging with industry groups (such as services of NZ Consumer Advocacy Council) for its within period engagement.
- b. Aurora should be clear during its engagement of the level of participation it is seeking from its consumers under the International Association for Public Participation (IAP) IAP2's Public Participation Spectrum.³
- c. Aurora uses many forums to engage with consumers, including publications on its website, in newspapers, on social media (Facebook and Instagram), community meetings/forums, and surveys. However, Aurora's posts on Facebook and Instagram often result in a very small number of likes/comments. Therefore, Aurora may want to consider how it uses its current social media platforms (for example, content in Facebook versus Instagram, use of videos), /and/or explore other platforms as well.
- d. When Aurora includes links in reports to other information/reports we recommend that Aurora includes direct links to them, rather than its home website page to make it easier for consumers and other stakeholders to navigate.
- e. When Aurora engages on a topic, we recommend that all relevant webpages on its website include mention and links to the engagement.
- f. We recommend that past information submitted to the CAP and CVP, and presentations /and/or handouts at shows and meetings, be made available on a webpage on Aurora's website, as well as outcomes of any public meetings (or outcomes of trade/agricultural shows) to the extent that it would usefully inform consumers.

2. **Customer charter and consumer compensation arrangement** - Aurora's customer charter⁴ was produced in 2018 and is published on its website. Aurora is aware of general lack of knowledge of its

³ See, for instance: https://cdn.ymaws.com/www.iap2.org/resource/resmgr/pillars/Spectrum_8.5x11_Print.pdf.

⁴ Aurora's customer charter explains the relationship of Aurora with its customers, outlines what customers can expect from Aurora, and what Aurora needs from its customers in order to meet their expectations and provide them with a quality electricity supply.

customer charter by consumers and other stakeholders, which it has noted in its 2022 and 2023 ADRs. Aurora commenced consultation on its customer charter in November 2023, which included advertising on its website, in *Your Network*, *Your News* November 2023 edition, on Facebook and Instagram. The website sets out what Aurora's proposed Customer Commitments are and what its Customer Service Standard Payment Scheme is comprised of and how it works. It is difficult for us to form a view on the effectiveness of the engagement based on the information made publicly available and given that the engagement is only part way through. We expect that in conducting its review of the customer charter, Aurora has reached out as far as it can to get community participation in its survey (for example, additional advertising through newspapers, radio, social media and direct email). We also expect that Aurora engages the CAP and CVP members with an overview of the consultation and the link to the materials and survey, and that the survey has given consumers the opportunity to suggest alternatives to those proposed by Aurora.

3. **Reprioritising or substituting major projects** - Whilst Aurora provided some information in its May 2023 issue of community newsletter *Your Network*, *Your News* about reprioritisation decisions it had made, we saw no evidence within the publicly disclosed material of Aurora engaging with consumers to get their input on reprioritisation of projects. We recommend that for major projects above a certain threshold /and/or those that are likely to materially impact on service outcomes Aurora would seek views from affected consumers or representative bodies if there is benefit from consumer input prior to decisions being made, or if consumers should have been informed prior to any change and the reasons why.
4. **Tariff strategy and pricing methodology:**
 - a. We consider that the material made available by Aurora for its pricing consultation could have benefited from simplification⁵. The presentation pack⁶ prepared for the CAP and CVP was a more user-friendly document which has only recently been published on Aurora's website. In addition, we consider that a 1-2 page (graphic heavy) outline of the summary document would have been valuable, especially for stakeholders with limited understanding of complex pricing terms or time to engage on such matters. We also consider that the order of the material presented on Aurora's website under 'frequently asked questions' could be better laid out.
 - b. We recommend that Aurora considers the design of future consumer-focused surveys that it conducts so that these are not limited to simple yes/no responses and there is opportunity for respondents to provide feedback beyond the questions asked.
 - c. We recommend that Aurora considers engaging (including the CAP and CVP) on a tariff strategy and pricing methodology update, and along with a detailed supporting paper(s) it prepares a high level presentation to discuss with consumers prior to completing the questionnaire. We also recommend that the questionnaire be designed to be more open to enable consumers to provide their ideas on what Aurora's tariff strategy and pricing methodology should comprise.

⁵ We note that Aurora scored second highest out of the NZ EDBs in relation to the Electricity Authority's distribution scorecards, which reflects its practices relating to pricing and pricing methodologies. That is an important – and positive – endorsement from the Electricity Authority, which is quite clearly an interested party. However, what is not clear to us is whether the Authority's assessment considered the published information from the perspective of other interested persons, such as consumers, that may be less familiar with complex pricing concepts than staff working at the Authority. We suspect not given that the Authority does not appear to have been tasked with assessing Aurora's published information against clause 2.4.5A(1) and the eight criteria that it used to assess the scorecards do not directly cover consumer engagement.

⁶ Whilst the packs were made available to CAP and CVP members, they were not available on Aurora's website at the time of our initial review. In our view they are easier to read and understand, and it would be beneficial to include them on the website at the time they were provided. We note that they are now available on Aurora's website.

5. **Annual tariff price movements** – we recommend that Aurora:
 - a. considers providing changes and quantifying the difference by consumer (or tariff) class given that there can be different drivers for each
 - b. considers some scenario analysis, with appropriate caveats, to provide some more meaningful quantitative information to consumers going forward on how consumer bills may be impacted by its pricing methodology⁷
 - c. reviews the criteria or methodology it uses to determine prices for its non-standard contracts to describe the extent to which its criteria or methodology are consistent with the 2019 pricing principles for the RY25 pricing methodology.
6. **Cost of supply model** - we consider that the guide for the cost of supply model is reasonably informative with a good mix of visuals (e.g. pricing process, model flow diagram) and text.⁸ We note in section 2 some potential areas for improvement for Aurora’s consideration.

⁷ We appreciate that, in reality, the prices and tariff structures charged by Aurora to retailers tend not to be passed through to end consumers and so any such scenario analysis can only ever be indicative.

⁸ Importantly, we have not and were not engaged to review the inputs, calculations, and outputs from Aurora’s cost of supply model. We do not provide an opinion on the accuracy or otherwise of that model.

1. Scope of our review

Clause 2.8.5A(3) of the Determination requires an independent expert to complete a mid-period review of Aurora's progress in, and make any recommendations for Aurora to improve on, developing its consultation practices with consumers, including those regarding changes to Aurora's customer charter, consumer compensation arrangement, and the additional pricing methodology disclosures under clause 2.4.5A.

Clause 2.4.5A of the Determination requires that every disclosure by Aurora must include:

1. together with the information disclosed under clauses 2.4.1(1) and 2.4.2, sufficient information and commentary in a readily understandable form to enable interested persons to understand how Aurora has set prices for each Aurora pricing region
2. for each Aurora pricing region⁹, a worked example of how an average domestic consumer's¹⁰ prices would be calculated, and
3. a version of Aurora's cost of supply model¹¹ with explanatory material that will assist interested persons to understand how the cost of supply model works.

Clause 2.4 of the Determination requires that each electricity distribution business (EDB) must publicly disclose, before the start of each disclosure year:

1. a pricing methodology setting out specified factors
2. any changes in the pricing methodology 20 working days before prices impacted become effective
3. if the EDB has a pricing strategy, explain the pricing strategy for the current and next 5 disclosure years, explain how and why prices for each consumer group are expected to change as a result of the pricing strategy, and identify any changes to the strategy and explain the reasons for the changes.

Where applicable, under clause 2.5.3 of the Determination Aurora must also publicly disclose:

1. its customer charter¹² and consumer compensation arrangement¹³ at all times, and
2. a description of any change Aurora:
 - a. intends to make to its customer charter or consumer compensation arrangement, reasonably in advance of making the change, and

⁹ Aurora pricing region means a part of Aurora's network for which Aurora sets prices specific to that part of Aurora's network under its pricing methodology, provided (a) the total circuit length of the electricity lines supplying electricity distribution services and capable of conveying electricity at 3.3 kV or greater, in that part of the network, is at least 25 km; (b) the electricity conveyed to that part of the network is at least 20 GWh per annum; and (c) that part of the network supplies electricity distribution services to at least 2000 ICPs.

¹⁰ Average domestic consumer means a notional person that consumes or acquires from the network 9000kWh of electricity per year in respect of their principal place of residence.

¹¹ Means a financial model that Aurora uses to allocate target revenue, for example, across the Aurora pricing regions and amongst each of Aurora's consumer groups.

¹² Means a document that describes an EDB's relationship with its consumers, including, for example, what consumers can expect from the EDB in its supply of electricity distribution services.

¹³ Means an arrangement an EDB adopts to compensate consumers in a prescribed manner (by credit, reimbursement, or another appropriate means) if the EDB fails to meet specified standards of performance in supplying electricity distribution services to those consumers.

- b. makes to its customer charter or consumer compensation arrangement, as soon as reasonably practicable after making the change.

Clauses 2.5.4(1), 2.5.4(2)(c) and 2.5.4(4) set out further consumer engagement related obligations that Aurora had to comply with by mid-2022. Clauses 2.5.5 and 2.5.7 set out engagement obligations for the ADR and the development plan, the project and programme delivery plan and the safety delivery plan. These are specified in section 6.

Clause 2.8.5B(3) of the Determination requires that we only consider information Aurora has publicly disclosed in its AMPs for disclosure years 2022 and 2023, in its ADRs for disclosure years 2022 and 2023, under clauses 2.5.3 and 2.5.4, and other relevant publicly available information. We consider that publicly disclosed material includes information published by Aurora on its website and on its social media platforms (Instagram and Facebook) at the time of our review, and information presented to the public but not published by Aurora on its website or social media platforms.

With regards to consumer engagement, Attachment C of the Determination requires specific content in the ADR, which are set out in section 5.

We note that for the purposes of our review, the Determination defines Consumer to mean:

1. in relation to clauses 2.4.23 and 2.4.24 of this determination, the definition given in s 54D(2) of the Act¹⁴ [Commerce Act 1986]
2. for the purpose of information disclosure requirements relating to Aurora's customer charter and consumer compensation arrangement, a person that consumes electricity distribution services supplied by Aurora, and
3. in all other instances, a person that consumes or acquires electricity lines services.

We also note that in completing our review we have an overriding duty to assist and advise the Commission on areas under clause 2.8.5A within our area of expertise, and under the terms of reference for the review, we are to assess Aurora's conduct, which includes progress and recommendations, against good electricity industry practice (GEIP). We consider that GEIP in the context of our review means that Aurora's engagement activities and supporting material meet or exceed those undertaken and prepared respectively by a significant proportion of regulated electricity distribution network businesses operating in Australia and New Zealand.¹⁵ We also consider that GEIP does not require that all information relating to consumer consultation is published. Practices consistent with GEIP could be evidenced by information that was not publicly disclosed (e.g. information as to the behind the scenes practice by Aurora). However, given the scope of our review and requirements of the Determination, we have not considered non publicly disclosed information when forming our opinions in this report. As such, care should be taken when interpreting those opinions as it may be that evidence showing that Aurora's practices are consistent with GEIP was not publicly disclosed.

We conducted our initial review over 31 August to 20 September 2023 and updated our review in January 2024 to take account of Aurora's engagement on its customer charter.

¹⁴ Clause 2.4.23 and 2.4.24 are not relevant for our review.

¹⁵ When considering practice by regulated electricity distribution network businesses operating in Australia, we are mindful that the regulatory framework applying to them may differ from that applying to Aurora, and have adjusted for this accordingly.

2. Areas for improvement

We note below some areas for potential improvement. We consider that these areas for potential improvement build on what Aurora is already doing to align with GEIP consultation practices with consumers on various matters, and if implemented by Aurora in the future may further assist consumers in their understanding of matters, or facilitate their easy access to information.

Consumer engagement forums

Aurora uses many forums to engage with consumers, including publications on its website, newspapers, on social media (Facebook and Instagram), community meetings/forums, and surveys. We note that Aurora's posts on Facebook and Instagram often result in very small number of likes/views (e.g. in the last year often less than 10 views/likes for most posts, and often less than 5 for regulatory disclosure related matters, with Facebook likes being slightly higher than Instagram views), and we understand that the use of social media platforms by consumers is changing. Therefore, Aurora may want to consider how it uses its current social media platforms (for example, content in Facebook versus Instagram, use of videos), /and/or explore other platforms as well.

With regards to its website, a lot of information is available:

1. We reviewed Aurora's old website that was available until 25 September 2023. Because of the large amount of information that Aurora is obligated and chooses to publish, we expect that navigating the old website may have been a little confusing for some stakeholders. To address this, there were menus at the top of the home page that could be used to navigate and Aurora had included quick links at the bottom of the home page to areas of most likely interest to stakeholders. The search function was not working at the time of our initial review (31 August to 20 September).
2. Aurora launched on 26 September 2023 its new website which has been developed to be more user friendly. Overall, we found the new website to be easier to navigate and find information. It requires some user understanding of the information being sought (for example, disclosures required under the Determination) but that is an inevitable outcome of the regulatory framework.

When Aurora includes links in reports to other information/reports we recommend that Aurora include direct links to them, rather than its home website page. For example, in the October 2022 *Your Network*, *Your News*, the link to the 2022 ADR was to the general website rather than to the 2022 ADR and helpful summary.

Based on our experience, it is common-place that consultation by Australian regulated electricity (and gas) network businesses within a regulatory period results in lower active and meaningful consumers involvement than when compared with consultation for price reviews (such as for the default price path or customised price path (CPP) review processes). We consider that this has been the case for engagement conducted by Aurora after it submitted its CPP. Having said that, GEIP is evolving to improve within period consultation to achieve engagement outcomes which often involves use of specific consultation groups set up by businesses. Often this involves including consumer representatives within broader stakeholder advisory groups or forums that inform business decision-making.

We observe that Aurora has been trying to address this lower level of consumer interest by refining what it publishes to be of more likely interest to consumers (for example, the introduction of community updates with information about work specific to a network area), updating its website to be more user friendly and using its social media platforms to highlight potential areas of interest to consumers. We consider that these changes align well with GEIP.

We consider that Aurora might get a better level of engagement through its CAP and CVP (or equivalent panels), or through industry groups, which Aurora has not targeted for its within period consultation. GEIP involves establishment by regulated entities of ongoing engagement groups, which provides greater likelihood of meaningful engagement. Therefore, we recommend that Aurora considers actively using its existing panels in some form, establishing new one(s), or possibly using the services of the NZ Consumer Advocacy Council for its within period consultation if resources allow. If necessary, Aurora may need to consider paying for panel member involvement within period to get active and meaningful participation.

We also recommend that past information submitted to the CAP and CVP be made available on a webpage on Aurora's website and that Aurora more actively uses the panels, for example, on delivering its ADRs and on reviewing its customer charter and consumer compensation arrangement.

Lastly, other than for the engagement conducted for the tariff strategy and pricing methodology and on the annual consumer surveys, we note that there has generally been no consumer feedback on engagement activities (such as the community drop in events on the 2022 ADR). This is not unsurprising given the nature of the consultation and given that Aurora's panels or similar groups have not been engaged which we would expect would address the lack of feedback. Whilst the lack of feedback on 2022 engagement activities was noted in the 2023 ADR, we did not see evidence in the publicly disclosed material of minutes or outcomes of any public meetings (or outcomes of trade/agricultural shows) and recommend that Aurora considers doing so for future meetings to the extent that it would usefully inform consumers.

Customer charter and consumer compensation arrangement

Aurora's customer charter¹⁶ was produced in 2018 and is published on its website.

Aurora is aware of general lack of knowledge of its customer charter by consumers and other stakeholders, which it has noted in its ADRs. It has made the charter more easily accessible on its website by including a link to it in the 'About us' section of the homepage as well as in the Disclosures tab, and plans to increase awareness in regulatory year¹⁷ 2024 (RY2024).

In the lead up to its consultation on the charter, Aurora made it clear that it was going to update it. For example, section 10 of the current published charter states 'We intend to consult on the contents of this customer charter, and for any changes that may arise from that consultation to come into effect during 2022.' This was also reiterated in the AMP (page v). The detailed work plan over the CPP period is set out in section 4 of the [CPP development plan](#).

Aurora set out in its CPP development plan and its 2022 ADR its plan to engage with consumers on updating its customer charter and consumer compensation arrangement over RY2023 to RY2026. It has also prepared a useful summary of the planned engagement. Aurora is behind in its planned engagement for RY2023 but plans to catchup in RY2024, with consultation commencing in November 2023. It has renamed its customer charter and consumer compensation arrangement to Customer Commitments and Customer Service Standard Payment Scheme respectively to be more consumer friendly with the aim of creating greater awareness of its commitments to consumers.

Aurora commenced consultation on its customer charter in November 2023, which included advertising on its website, information in *Your Network*, *Your News* November 2023 edition, and posts on Facebook

¹⁶ Aurora's customer charter explains the relationship of Aurora with its customers, outlines what customers can expect from Aurora, and what Aurora needs from its customers in order to meet their expectations and provide them with a quality electricity supply.

¹⁷ The regulatory year commences 1 April and ends 31 March.

and Instagram. The website sets out what its proposed Customer Commitments are and what its Customer Service Standard Payment Scheme is comprised of and how it works. We note that whilst the consultation on the charter is found under ‘engagement and consultations’ tab under disclosures, there is no mention of engagement on the charter commencing or link to the engagement under the ‘customer charter’ tab under disclosures. We recommend that in future, a corresponding link be included on the source webpage to the ‘engagement and consultations’ tab. This will help consumers and other stakeholders better navigate the publicly available information. The published information on the Customer Commitments and Customer Service Standard Payment Scheme is clear and easy to read. As part of its consultation, Aurora conducted a survey which was closed at the time of our updated review (January 2024) and unavailable to us. According to the website, the results of the survey are to be made available in the ‘New Year.’

It is difficult for us to form a view on the effectiveness of the engagement based on the information made publicly available and given that the engagement is only part way through. We expect – but have not seen publicly available evidence – that in conducting its review of the customer charter, Aurora has reached out as far as it can to get community participation in its survey (for example, additional advertising through newspapers, radio, social media and direct email). We also expect that Aurora engages the CAP and CVP members with an overview of the consultation and the link to the materials and survey. We also expect that the survey has given consumers the opportunity to suggest alternatives to those proposed by Aurora.

Reprioritising or substituting major projects

Whilst Aurora provided some information in its May 2023 issue of community newsletter *Your Network, Your News* about reprioritisation decisions it had made, we saw no evidence within the publicly disclosed material of Aurora engaging with consumers to get their input on reprioritisation of projects. We would expect that for major projects above a certain threshold /and/or that are likely to materially impact on service outcomes Aurora would seek views from effected consumers or representative bodies. We are not aware if any of the projects would have benefited from consumer input prior to decisions being made, or if consumers should have been informed prior to any change and the reasons why.

For reprioritisation of future major projects above a certain threshold /and/or that are likely to materially impact on service outcomes that would benefit from consumer input, we recommend that Aurora considers engaging with consumers or representative bodies to inform them or get their views before deciding on reprioritising or substituting. However, we note that this may not be practical for shifts between renewals and growth investment related expenditure where there is little choice or optionality available for consultation. In addition, due to tight timing requirements to make decisions on recent growth investment within Aurora’s network there may be very limited or no ability for wider consultation above that undertaken with directly impacted consumer(s). In such situations Aurora’s current approach of keeping the community informed of any changes is likely to remain the best approach.

Tariff strategy and pricing methodology

By way of background for stakeholders, [Aurora's pricing explained](#) provides a context of Aurora’s network charges and future changes, and other useful pricing information. We consider that under ‘Frequently asked questions’ the order could be better laid out to provide industry context first, set out challenges faced, detail what the proposed changes are and how they are intended to address those challenges, and then followed by the other useful information included.

Aurora makes available on its website its pricing consultation main and summary documents. The pricing consultation summary document was quite large (about 20 pages compared with the 40 pages for the main document). The summary document does a reasonable job of explaining what is proposed, with a

balanced mix of easy to understand graphics and text. However, there are quite a few complex terms (common to pricing discussions) that we consider some readers will likely struggle with, but we note this is a reality when it comes to distribution pricing and an issue faced by all electricity network businesses in New Zealand. It does take quite some time before what is being proposed (in terms of tariff changes) comes out, and we note that it does not have a contents page.

Aurora prepared a presentation pack for the CAP and CVP, which it provided to us upon request. Whilst the packs were made available to CAP and CVP members, they were not available on Aurora's website at the time of our initial review. In our view they are easier to read and understand, and it would be beneficial to include them on the website at the time they were provided. We note that they are now available on Aurora's website. In addition, we consider that a 1-2 page (graphic heavy) outline of the summary document would have been valuable, especially for stakeholders with limited understanding of complex pricing terms or time to engage on such matters.

With regards to the questionnaire that Aurora circulated as part of its engagement on its tariff structure and pricing methodology we note:

- that the construct of the questionnaire with a mostly simple 'yes/no' may have limited the usefulness of responses
- the questions are generally quite easy to understand (assuming the reader has read and understood the relevant documents)
- beyond the free text questions, there was not much opportunity for respondents to provide feedback on where Aurora should go next with its pricing strategy and roadmap.

We recommend that Aurora considers the first and last bullet point observations above in all subsequent consumer-focused surveys that it conducts.

Aurora received responses from 66 individuals and one electricity retailer to its online survey¹⁸. We are concerned that the complex summary coupled with the design of the questionnaire did not result in informed responses to the questionnaire. We think this is partly evident by responses within the 50% to 60% range. We recommend that Aurora considers engaging (including the CAP and CVP) on a tariff strategy and pricing methodology update, and along with a detailed supporting paper(s) it prepares a high level presentation to discuss with consumers prior to completing the questionnaire. We also recommend that the questionnaire be designed to be more open to consumers providing their ideas on what Aurora's tariff strategy and pricing methodology should comprise.

Annual tariff price movements

For annual tariff price movements, Aurora has explained the reasons for changes and quantified the difference in respect of each of those reasons across all prices. We recommend that Aurora considers providing this explanation by consumer (or tariff) class given that there can be different drivers for each.

In its 2022 pricing methodology Aurora states that it wasn't able to provide a 'full assessment of how customer bills will be impacted at this early stage'¹⁹, and in its 2023 pricing methodology Aurora provided some qualitative information for 4 consumer profiles on outcomes that consumers should expect for future price changes. We recommend that Aurora considers some scenario analysis, with appropriate caveats, to provide some more meaningful quantitative information to consumers going forward.

¹⁸ Aurora Energy 2022 Pricing Methodology, 1 April 2022, Section 5.3.

¹⁹ Aurora Energy 2022 Pricing Methodology, 1 April 2022, section 2.9.

We note that in the 2022 and 2023 pricing methodologies, Aurora noted the need to review the criteria or methodology it uses to determine prices for its non-standard contracts to describe the extent to which its criteria or methodology are consistent with the 2019 pricing principles. We recommend that Aurora do so for the RY25 pricing methodology.

Cost of supply model

We consider that the guide for the cost of supply model is reasonably informative with a good mix of visuals (e.g. pricing process, model flow diagram) and text.²⁰ We note the following potential areas for improvement for Aurora's consideration:

1. Given the nature of what the model is intended to do, it is likely too complex for most consumers and stakeholders to engage with. However, if Aurora wanted to make it easier for such consumers to engage with the model, then it might be sensible (a) having some sort of 1-2 page standalone user guide document, and (b) having a sheet that provides example, stylised, calculations that would allow the user to better understand what the model does without having to work through the more detailed calculations. Alternatively, given that we understand the likely audience of the cost of supply model is extremely small, Aurora may want to consider offering to stakeholders on the [Aurora pricing methodologies](#) webpage and on the model guide worksheet, the opportunity to get in touch with Aurora if they want further explanations on the model.
2. The purpose of the model at row 66 appears to be cut off, with no way to unhide the text due to the protections applied – this makes it a little hard for model users to check that the model is doing what it should.
3. Similarly, the second step at row 71 does not fully display unless the user zooms in – this issue may only apply for some model users (e.g. depending on what their screen resolution is).
4. The instruction could be improved by including more navigation options (e.g. hyperlinks from the diagrams or sheet descriptions to the action sheets).
5. Complete a spellcheck – there is the odd typo (e.g. reference to 'four step process' under the 'Pricing Process' heading, while the figure has 5 steps).
6. Another 'nice to have' would be to have a bit more information to note things like version number, model date, and navigation throughout the model – as well as making it easier for a user to track changes. It would seem important if the intent is for the 'Model Guide' sheet to be a full model user guide (i.e. when preparing such guides these tend to be multiple page documents, so a single page is quite brief).

²⁰ Importantly, we have not and were not engaged to review the inputs, calculations, and outputs from Aurora's cost of supply model. We do not provide an opinion on the accuracy or otherwise of that model.

3. Aurora's engagement program

Aurora's consultation program is extensive, and it utilises many forums to extend its reach to consumers and other stakeholders. We recognise that whilst the focus of our review is on consumer engagement, Aurora's engagement has a broader audience in mind (e.g. pricing engagement benefits from input from other stakeholders). Aurora appears to be continually assessing how to best utilise its engagement forums to improve its reach to consumers and to provide them with information that is useful (as evidenced by improvements to its website, and introducing 6 monthly community updates).

Its consumer engagement program encompasses:

1. Publishing on its website (under the 'Disclosures' tab) various publications required under the Determination including its:
 - a. pricing strategy and pricing methodology
 - b. customer charter and consumer compensation arrangement
 - c. future plans for various activities including its development plan, safety plan, and project and program delivery plan, and supporting user friendly and informative one pager sub-plans (for example, its Customer Charter development plan)
 - d. worked examples for each pricing region of how an average domestic consumer's prices would be calculated
 - e. ADRs
 - f. cost of supply model.
2. Publishing a newsletter on its website every 6 months, *Your Network*, *Your News*, setting out updates on major projects to upgrade the electricity network, and information about public safety, pricing, sustainability and community support. Aurora introduced in January 2023 additional community updates to support its bi-annual community update *Your Network*, *Your News*, to give customers tailored information about where they live. For each area the updates provide an overview of projects completed, underway and upcoming, and customer improvements coming up (for example, in August 2023 they mention the proposed customer commitments later in 2023). These additional community updates are also inserted in community newspapers²¹ in Dunedin, Wanaka, Queenstown and Central Otago (we did not review the newspaper inserts). We consider that the format, style and approach twice a year of *Your Network*, *Your News* and the community updates are a good way to obtain engagement with Aurora's consumer base. They are an easy and consumer friendly read, and are well laid out with a nice mix of text, pictures and graphs/charts.
3. Providing regular newsworthy updates of activities on its network.
4. Community drop in events:
 - a. in May 2022 to discuss the key features of its development plan, the project and program delivery plan, and the safety delivery plan for each Aurora pricing region

²¹ *The Star Dunedin* (Dunedin focus), *Central Otago News* (Central Otago/ Wānaka focus), *Wānaka Sun* (Central Otago/ Wanaka focus), and *Mountain Scene* (Queenstown focus).

- b. in October 2022 to discuss a summary of the key features of its 2022 ADR (this is an annual obligation required within 2 months after publicly disclosing it).
5. Engaging with consumers by using its website, social media (Instagram – auroraenergynz, Facebook – Aurora Energy), print media (newspapers) and public meetings/forums. In addition to publishing posts on works completed on Aurora’s network and operational issues such as outages (in the case of Facebook), Aurora uses its social media to publish posts on various engagement activities including advance notices, for example the community drop-ins during late October 2022 (14 October 2022) and again in October 2023, a behind the scenes look at the October community drop-ins (13 December 2022) and on regulatory obligations such as publication of the 2022 ADR (17 November 2022). We note that Aurora’s posts on Facebook and Instagram often result in very few likes/views (e.g. in the last year often less than 10 views/likes for most posts, and often less than 5 for regulatory disclosure related matters, with Facebook likes being slightly higher than Instagram views), and we understand that the use of social media platforms by consumers is changing. Therefore, Aurora may want to consider how it uses its current social media platforms for example, content in Facebook versus Instagram, use of videos), /and/or explore other platforms as well.

Aurora launched on 26 September 2023 a new website which has been developed to be more user friendly. The home page is more clearly set out and the disclosure menu is clearly identifiable, and each sub-menu has a useful summary of the purpose. The home page also has improved outage information containing far more detailed information and user friendly graphics - Aurora plans to phase out unplanned outage information on its Facebook page, as it would prefer to keep it as a channel for positive posts and interactions. The search function works. Overall, we find that the new website is easier to navigate and find information. It requires some user understanding of the information being sought (for example, disclosures required under the Determination) but that is an inevitable outcome of the regulatory framework.

Aurora has established the following advisory panels:

1. CAP which met on 17 November 2021 in Dunedin to workshop the pricing consultation. Materials presented are not on the Aurora website.
2. CVP which met on 16 November 2021 in Dunedin, 17 November 2021 in Cromwell and 18 November 2021 in Queenstown to workshop the pricing consultation. Materials presented are not on the Aurora website.

We recommend that Aurora makes greater use of the panels (or sets up or accesses an alternate engagement group(s)), provides material submitted to the panels available on its website and incorporates the panels into its within period engagement program. We provide more details in section 2 on this.

Aurora noted in its Asset Management Plan (AMP) for the period April 2023 to March 2033 that its engagement activities and planned engagement relating to its AMP were/are as follows:

1. conducted a benchmark customer satisfaction survey in the 2021-22 financial year²² (FY22²³), which will be followed by annual surveys involving a panel of consumers to measure Aurora’s performance throughout the CPP period (section 2.3.3)

²² Aurora’s financial year is 1 July to 30 June.

²³ Aurora completed an in depth exploratory survey of 7 business and 3 residential consumers in late 2021, followed by 500 residential and 100 business consumers in early 2022. The key message was that they want a reliable power supply, and accurate and timely information if they have an outage.

2. building community engagement through a series of planned engagement events - details on these engagements will be published on Aurora’s website and in its bi-annual community update, *Your Network, Your News* (section 2.3.4)
3. consultation with new-connection customers and their agents, landowners and communities who host Aurora’s assets (section 4.3), and
4. for some major projects that have considerable impact to the community, Aurora consults with the local community, regional and local authorities, iwi, corridor authorities, environmental groups, and local groups (among others) to socialise the project and seek their acceptance of and willingness to actively support the project (section 6.3.1).

Aurora also engaged through the following forums:

- The Agricultural and Pastoral Association shows at Lake Hayes, Omakau, Roxburgh and Wanaka, and at Brighton gala day.
- Business community events with the main objective to network. The ‘Business After 5’ (BA5) events were conducted via the Chambers of Commerce in Dunedin (27 October 2022), Queenstown (7 September 2022) and Cromwell (20 October 2022). Aurora also participated in the University of the Third Age (U3A) in Wanaka in March 2023.
- Councils - the Dunedin City Council (DCC), Central Otago District Council (CODC) and Queenstown Lakes District Council (QLDC). Aurora aims to meet with the councils about every 6 months as set out below (note the second round of meetings for 2023 is being planned).

It is not clear to us from Aurora’s website, but we would expect presentations /and/or handouts at shows and meetings, and minutes of the outcomes of meetings and summary of show outcomes. We recommend that in future Aurora publishes these documents for each public meeting to the extent that it would usefully inform consumers.

Table 3.1: Council engagement

	DCC	CODC	QLDC
2023			
Month	March		March
Content	Meet & greet		Meet & greet
Group	ELT/ ELT		New mayor
2022			
Month	No physical meeting but DCC were briefed on ADR activities via email	October	October
Content		ADR & other	ADR & other
Group		ELT/ ELT	ELT/ ELT
2021 and earlier			
Month	May	May	May
Content	CPP Plans	CPP Plans & other	CPP Plans & other
Group	Update via email	ELT/ ELT (online)	ELT/ ELT

4. Pricing and related information

The table below sets out our assessment of whether Aurora’s engagement consultation practices with consumers in relation to pricing and related information meet the consultation requirements set out in clause 2.4.5A (pricing matters) of the Determination and reflects GEIP, or could be improved:

Table 4.1: Engagement on pricing and related information

Clause	Description	Assessment for 2022	Assessment for 2023
Pricing methodologies			
2.4.1(1)	Describes the pricing methodology	Meets clause 2.4.5A engagement requirements and reflects GEIP – set out in section 3 of the 2022 pricing methodology .	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in section 3 of the 2023 pricing methodology .
2.4.1(2)	Describes any changes in prices and target revenues	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in section 3.6 of the pricing methodology. The price change disclosures provide high level comments on reasons for change and refer to the pricing methodology for more information.	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in sections 3.1 and 3.4 of the pricing methodology. The 2023 price change disclosure provides a little more commentary on why prices have moved which is helpful.
2.4.1(3)	Explains, in accordance with clause 2.4.5, the approach taken with respect to pricing in non-standard contracts and distributed generation (if any)	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in section 6.1 and 8 of the pricing methodology.	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in section 6.1 and 8 of the pricing methodology.
2.4.1(4)	Sought the views of consumers and consideration of them	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in s3.3 of the pricing methodology.	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in s3.2 of the pricing methodology for work completed in 2021 on the pricing strategy. Aurora noted that: ‘No additional pricing related consultation activities have been conducted in RY23 as the focus has been on implementing the significant changes outlined within the CPP delivery plan. Further consultation is proposed to be conducted in RY24/25 specifically targeted at non-residential customers.’ Given the

Clause	Description	Assessment for 2022	Assessment for 2023
			extent of engagement for the CPP we consider this reasonable
2.4.2	Any change in the, or different, pricing methodology disclosed at least 20 working days before taking effect	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in s3.4 of the pricing methodology.	NA – no changes made.
2.4.3(1)	Includes sufficient information and commentary on how prices were set, including the assumptions and statistics used to determine prices, for each consumer group	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in sections 3.5 to 3.9 of the pricing methodology.	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in sections 3.3 to 3.8 of the pricing methodology.
2.4.3(2)	Demonstrate the extent to which the pricing methodology is consistent with the pricing principles and explain the reasons for any inconsistency	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in Appendix E of the pricing methodology.	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in Appendix E of the pricing methodology.
2.4.3(3)	State the target revenue expected to be collected for the disclosure year	Meets clause 2.4.5A requirements and reflects GEIP - set out in section 3.6 of the pricing methodology.	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in section 3.4 of the pricing methodology.
2.4.3(4)	Where applicable, identify the key components of target revenue required to cover the costs and return on investment associated with Aurora’s provision of electricity lines services	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in section 3.6 and Appendix A of the pricing methodology.	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in sections 3.4 and 3.5 and Appendix A of the pricing methodology.
2.4.3(5)	State the consumer groups for whom prices have been set, and describe (a) the rationale for grouping consumers; (b) the method and the criteria used by to allocate consumers to each of the consumer groups;	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in section 3.8 of the pricing methodology.	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in section 3.6 of the pricing methodology.
2.4.3(6)	Explain If prices have changed from immediately preceding disclosure year, explain the reasons for changes, and quantify the difference in respect of each of those reasons	Partially meets clause 2.4.5A engagement requirements and GEIP – whilst section 3.6 of the pricing methodology sets this out across all prices, we consider that GEIP would do so by customer class.	Partially meets clause 2.4.5A engagement requirements and GEIP – whilst section 3.1 and 7 (deprivation index score) of the pricing methodology sets this out across all prices, we consider that GEIP would do so by customer class.

Clause	Description	Assessment for 2022	Assessment for 2023
2.4.3(7)	If applicable, describe the method and rationale used to allocate the target revenue among consumer groups, and resulting target revenue values	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in sections 3.7 to 3.8 of the pricing methodology.	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in section 3.6 of the pricing methodology.
2.4.3(8)	State the proportion of target revenue collected through each price component	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in section 3.9 of the pricing methodology.	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in section 3.8 of the pricing methodology.
Pricing strategy			
2.4.4(1)	Explain the pricing strategy for the current and next 5 disclosure years	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in section 2 and 3.2 of the pricing methodology.	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in section 2 and 3.1 of the pricing methodology.
2.4.4(2)	Explain how and why prices for each consumer group are expected to change as a result of the pricing strategy	Aurora noted in section 2.9 of the pricing methodology with caveat that: <i>'with more detailed design and impact analysis at each step of the process. As such, we cannot provide a full assessment of how customer bills will be impacted at this early stage'</i> . We consider that some scenario analysis (for example, indicative movements in consumer bills, or the distribution component at least, over an appropriate period (e.g. 5 years)), with appropriate caveats, could provide some more meaningful information to consumers and recommend that Aurora consider doing so in future years.	Aurora noted in section 2.10 of the pricing methodology with slightly more qualitative information for 4 customer profiles than 2022 on outcomes that they 'should expect'. Again, we consider that some scenario analysis (for example, indicative movements in consumer bills, or the distribution component at least, over an appropriate period (e.g. 5 years)), with appropriate caveats, could provide some more meaningful information to consumers and recommend that Aurora consider doing so in future years.
2.4.4(3)	Identify any changes and explain the reasons for the changes	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in section 2 of the pricing methodology.	NA – no change was made.
Non-standard contracts			
2.4.5(1)(a)	Describe extent of non-standard contract use,	Meets clause 2.4.5A engagement requirements and	Meets clause 2.4.5A engagement requirements and reflects GEIP -

Clause	Description	Assessment for 2022	Assessment for 2023
	number of ICPs represented by non-standard contracts and the value of target revenue expected from non-standard contracts	reflects GEIP - set out in section 6.1 of the pricing methodology.	set out in section 6.1 of the pricing methodology.
2.4.5(1)(b)	How does Aurora determine whether to use a non-standard contract, including any criteria used	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in section 6.1 of the pricing methodology.	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in section 6.1 of the pricing methodology.
2.4.5(1)(c)	Describe any specific criteria or methodology used for determining prices for non-standard contracts, and the extent to which these criteria or that methodology are consistent with the pricing principles	To be reviewed by Aurora - set out in section 6.1 of the pricing methodology but says: <i>'We intend to review our approach towards non-standard contracts during the coming year to ensure alignment with the 2019 pricing principles'</i> .	To be reviewed by Aurora - set out in section 6.1 of the pricing methodology but also says <i>'A complete review of the approach towards non-standard contracts during the coming year is proposed to ensure alignment with the 2019 pricing principles'</i> . We recommend that Aurora complete its review ideally for the RY24 pricing methodology, but no later than RY25.
2.4.5(2)	Describe Aurora's obligations and responsibilities to consumers subject to non-standard contracts in the event that the supply of electricity lines services to the consumer is interrupted: (a) the extent of the differences in the relevant terms between standard contracts and non-standard contracts (b) any implications of this approach for determining prices for consumers subject to non-standard contracts	Could be improved slightly to meet GEIP - set out in section 6.1 of the pricing methodology says: <i>'distributor agreement page of Aurora Energy's website'</i> and links to home page rather than the relevant sub-web page on Aurora's website.	Could be improved slightly to meet GEIP - set out in section 6.1 of the pricing methodology says: <i>'distributor agreement page of Aurora Energy's website'</i> and links to home page rather than the relevant sub-web page on Aurora's website.
2.4.5(3)	Describe Aurora's approach to developing prices to consumers that own distributed generation, including any payments made by it to the owner of any distributed generation, and including the (a) prices; and (b) value, structure and	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in section 8, 8.4 and 8.5 of the pricing methodology.	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in section 8 and 8.3 of the pricing methodology.

Clause	Description	Assessment for 2022	Assessment for 2023
	rationale for any payments to the owner of the distributed generation		
Additional pricing methodology disclosure requirements for Aurora			
2.4.5A(1)	Every disclosure under 2.4.1 and 2.4.2 must contain sufficient information and commentary in a readily understandable form to understand how Aurora has set prices for each Aurora pricing region	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in section 3.7 and Appendix D of the pricing methodology.	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in section 3.5 and Appendix D of the pricing methodology.
2.4.5A(2)	Every disclosure under 2.4.1 and 2.4.2 for each Aurora pricing region must contain a worked example of how an average domestic consumer's prices would be calculated	Meets clause 2.4.5A engagement requirements and reflects GEIP – set out in Appendix D of pricing methodology.	Meets clause 2.4.5A engagement requirements and reflects GEIP - set out in Appendix D of pricing methodology.
2.4.5A(3)	Every disclosure under 2.4.1 and 2.4.2 must contain a version of Aurora's cost of supply model with explanatory material that will assist interested persons to understand how the cost of supply model works	Could be improved to meet GEIP – model includes high level model guide on pricing process, model flow diagram, model overview, input sheet guide. Not unsurprisingly it does require a reasonable understanding of modelling and development of tariffs. We have noted some areas for potential improvement in section 2 of this report.	

5. ADR annual summaries and self-assessment

Attachment C of the Determination sets out the content required in an ADR which must be prepared and publicly disclosed by Aurora, and for which a summary of the key features must be presented by Aurora to stakeholders.

The table below sets out our assessment of whether Aurora’s engagement consultation practices with consumers in relation to the consultation-related content that it is required to disclose in its ADR annual summaries and self-assessment ratings required under Attachment C of the Determination and set out in its RY22 and RY23 ADRs, meet either the clause 2.4.5A (pricing matters) or 2.8.5A(3) Determination consultation requirements and reflects GEIP, or could be improved.

Aurora’s self-assessment ratings are:

1. Not started: no planned activities/initiatives have started
2. Not achieved: no planned activities/initiatives have been achieved
3. Partially achieved: less than 50% of planned activities/initiatives have been achieved. For engagement in RY 23, engaged with consumers via less than five channels and in all pricing regions/considered some feedback
4. Largely achieved: 50% or more of planned activities/initiatives have been achieved, but not 100%
5. Achieved/Exceeded plan: 100% of planned activities/initiatives have been achieved or are progressing ahead of schedule. For engagement in RY23, engaged with a variety of consumers and stakeholders via more than ten channels and in all pricing regions/took into account feedback.

Table 5.1: ADR engagement activities on annual summaries and self-assessment

Clause	Description	Assessment for 2022	Assessment for 2023
1.3.1	Ensuring the information Aurora publicly discloses under clause 2.4.5A(1) enables interested persons to understand how Aurora sets prices for each Aurora pricing region	Meets clause 2.4.5A engagement requirements and reflects GEIP. Aurora self-assessed as 5 on the basis of information included in the pricing methodology and the progress during RY22 towards implementing more cost-reflective pricing and taking steps to ensure that pricing is easier to understand.	NA
1.3.3	Engagement with consumers on Aurora’s customer charter, and consumer compensation arrangement	Meets clause 2.8.5A(3) engagement requirements and reflects GEIP. Aurora self-assessed as 5 on basis of documenting its customer charter and consumer compensation arrangement	NA

Clause	Description	Assessment for 2022	Assessment for 2023
		engagement improvement initiatives, and for: <ul style="list-style-type: none"> • planning for consultation • completing an internal review of the customer charter • completing a benchmark survey. 	
1.4.1	Ensuring the information Aurora publicly discloses under clause 2.4.5A(1) enables interested persons to understand how Aurora sets prices for each Aurora pricing region	NA	<p>Could be improved to meet clause 2.4.5A(1) engagement requirements and reflect GEIP. Aurora’s disclosures are comprehensive, and possibly too complex for the ordinary person to understand and therefore may not meet the clause 2.4.5A requirements.</p> <p>We note that Aurora scored second highest out of the NZ EDBs in relation to the Electricity Authority’s distribution scorecards, which reflects its practices relating to pricing and pricing methodologies.²⁴ That is an important – and positive – endorsement from the Electricity Authority, which is quite clearly an interested party. However, what is not clear to us is whether the Authority’s assessment considered the published information from the perspective of other interested persons, such as consumers, that may be less familiar with complex pricing concepts than staff working at the Authority. We suspect not given that the Authority does not appear to have been tasked with assessing Aurora’s published information against clause 2.4.5A(1) and the 8 criteria that it used to assess the scorecards do not directly cover consumer engagement.</p> <p>Aurora self-assessed as 5 on the basis that Aurora has continued to publish the additional information in its pricing-related disclosures</p>

²⁴ See: Electricity Authority, *Distribution pricing scorecards 2023*, Information Paper, 10 October 2023: https://www.ea.govt.nz/documents/3883/Information_paper_-_2023_Distribution_pricing_scorecards.pdf.

Clause	Description	Assessment for 2022	Assessment for 2023
			and have subsequently refreshed the information in its latest pricing methodology which was disclosed on 31 March 2023.
1.4.2	In Aurora’s development plan under clause 2.5.4(1), engagement with consumers on Aurora’s customer charter and consumer compensation arrangement	NA	<p>Could be improved to meet clause 2.8.5A(3) engagement requirements and reflect GEIP, by having met its commitment in the development plan to proposed timelines for its consultation on the customer charter.</p> <p>Aurora self-assessed as 3 on basis of delaying consultation on the charter and consumer compensation arrangement due to resource constraints. The planned internal review has been completed, and Aurora plans to consult during RY24 with consultation on the reviewed customer charter planned to be launched in December 2023.</p> <p>Aurora commenced consultation on its customer charter in November 2023, which included advertising on its website, in <i>Your Network</i>, <i>Your News</i> November 2023 edition, on Facebook and Instagram. The website sets out what its proposed Customer Commitments are and what its Customer Service Standard Payment Scheme is and how it works. The published information is clear and easy to read. As part of its consultation, Aurora conducted a survey which was closed at the time of our review (22 January 2023). According to the website, the results of the survey are to be made available in the ‘New Year.’</p> <p>It is difficult for us to form a view on the effectiveness of the engagement based on the information made publicly available. We expect that in conducting its review of the customer charter, Aurora has reached out as far as it can to get community participation in its</p>

Clause	Description	Assessment for 2022	Assessment for 2023
			survey (for example, additional advertising through news papers, radio, social media and direct email). We also expect that Aurora engages the CAP and CVP members with an overview of the consultation and the link to the materials and survey. We also expect that the survey has given customers the opportunity to suggest alternatives to those proposed by Aurora.
1.12	Regarding Aurora's performance in supplying electricity distribution services to its consumers:		
1.12.1(a)	A self-assessment rating, and reason(s) for the self-assessment rating, of Aurora's performance in notifying and updating consumers on interruptions affecting them	Meets clause 2.8.5A(3) engagement requirements and reflects GEIP. Aurora self-assessed as 3 ²⁵ on basis of 86% of planned interruptions meeting the regulatory requirements, up from 53% in RY21.	NA
1.12.1(b)	A self-assessment rating, and reason(s) for the self-assessment rating, regarding each of the following: (i) how effectively Aurora has engaged with different consumers in each Aurora pricing region; and	NA	Could be improved to meet clause 2.4.5A engagement requirements and reflect GEIP. We recommend that Aurora consider engaging on a tariff strategy and pricing methodology update, and along with a detailed supporting paper(s) it prepares a high level presentation to discuss with consumers prior to completing the questionnaire. We also recommend that the questionnaire be designed to be more open to consumers providing their ideas on what Aurora's tariff strategy and pricing methodology should comprise. We note that Aurora self-assessed as 5 on the basis of having engaged with a variety of consumers and stakeholders via more than 10 channels during 2021 and in all

²⁵ The ratings scale Aurora has applied in relation to customer notifications of interruptions for RY22 is: 5 – Outstanding, 4 – Exceeds Expectations, 3 – Usually Meets Expectations, 2 – Needs Improvement, 1 – Unacceptable.

Clause	Description	Assessment for 2022	Assessment for 2023
	(ii) any consultation Aurora has done with consumers on capital expenditure or operational expenditure projects or programmes, Aurora proposes to reprioritise or substitute	NA	<p>pricing regions, and considered consumer feedback.</p> <p>Could be improved to meet clause 2.8.5A(3) engagement requirements and reflect GEIP. We consider that Aurora could consider engaging on consumers to get their views before deciding on reprioritising or substituting future major project above a certain threshold /and/or that are likely to impact on service outcomes, and where it is appropriate to get consumer input. However, we note that this may not be practical for shifts between renewals and growth investment related expenditure where there is little choice or optionality available for consultation. In such situations Aurora’s current approach of keeping the community informed of any changes though its regular communications is likely to remain the best approach.</p> <p>Aurora self-assessed as 3 on the basis that information about reprioritisation was included in the May 2023 issue of community newsletter <i>Your Network, Your News</i>.</p>
1.12.2(a)	<p>A summary of for each disclosure year:</p> <p>(i) whether, and if so how, Aurora has consulted with consumers on any proposed changes to its customer charter, consumer compensation arrangement, or additional pricing methodology disclosures under clause 2.4.5A’</p>	<p>Meets clause 2.8.5A(3) engagement requirements and reflects GEIP.</p> <p>Note, was published in ‘news’ tab on 6 Oct 22, with drop in-events late Oct.</p> <p>Set out in section 5.2 of the RY22 ADR. Aurora had not yet commenced consultation with customers on proposed changes to the customer charter and consumer compensation scheme but had developed an updated suite of proposed performance metrics and a plan for how it will undertake a robust consultation process.</p>	<p>Meets clause 2.8.5A(3) engagement requirements, noting our assessment against clause 1.4.2 above and that Aurora obtained feedback via customer satisfaction survey which it stated it planned to use to inform its revised customer charter and consumer compensation arrangement.</p>

Clause	Description	Assessment for 2022	Assessment for 2023
	<p>(ii) any feedback from consumers on Aurora’s additional pricing methodology disclosures under clause 2.4.5A; and</p>	<p>Could be improved to meet clause 2.4.5A engagement requirements and reflect GEIP.</p> <p>Set out in section 5.3 of the 2022 ADR. During November and December 2021, Aurora undertook public consultation on proposed changes to its distribution pricing methodology.</p> <p>We question whether the approach to providing the pricing consultation main document and the consultation summary document and sending out a survey is likely to provide informed and meaningful feedback. Whilst effort was made to make the consultation documents assessable, they have many concepts in it which may prove complex for a reader not familiar with the electricity industry. We would expect the material would have benefited from presentation, possibly over 2 or more sessions. We have set out some suggested areas for improvement in our findings. The roadmap implementation in the consultation summary was not as clear as it could have been given it split over 2 pages (the pricing roadmap was much clearer).</p> <p>We note however, that Aurora's pricing explained provides a context of Aurora’s network charges and future changes, and other useful pricing information. We consider that it could be better laid out to provide industry context first, set out challenges faced, what the proposed changes are, and the other useful information included on the webpage.</p> <p>We also note that Aurora prepared a presentation pack for the CAP and CVP, which it provided to us upon request.</p>	<p>Could be improved to meet clause 2.4.5A engagement requirements and reflect GEIP.</p> <p>Set out in section 5.3 of the 2023 ADR. Aurora did not undertake any specific consultation in relation to the additional pricing methodology disclosures in RY23 because of the extensive pricing consultation it completed in RY22 (in November and December 2021). As set out in our assessment of clause 1.12.1(b) above, we recommend that Aurora considers engaging on a tariff strategy and pricing methodology update.</p>

Clause	Description	Assessment for 2022	Assessment for 2023
		<p>Whilst the packs were made available to CAP and CVP members, they are not available on Aurora’s website at the time of our initial review. In our view, they are easier to read and understand than Aurora’s other pricing documents and it would be beneficial to include them on the website. We note that Aurora has now published them on its website.</p> <p>The survey responses to Aurora’s questions from 66 customers and 1 electricity retailer were not particularly strong one way or another with the feedback for the predominant view in the 50% to 60% range. We think that providing Aurora’s response to each survey question in the consultation report, rather than separating its response from the questions, would help the reader understand concerns raised and Aurora’s response to them. We also consider that inclusion of a summary of Aurora’s response to the survey questions would have been helpful in the 2022 ADR, rather than referring to the consultation report.</p>	
1.12.2(a)	A summary of for each disclosure year: (iii) whether Aurora met its commitments under its customer charter and consumer compensation arrangement, and if not, the respects in which Aurora failed to do so, and the reasons for such failure; and	<p>Meets clause 2.8.5A(3) engagement requirements and reflects GEIP.</p> <p>Clearly set out in section 5.2 of the 2022 ADR.</p>	<p>Meets clause 2.8.5A(3) engagement requirements and reflects GEIP.</p> <p>Clearly set out in section 5.3 of the 2023 ADR.</p>
1.12.2(b)	A summary of for each disclosure year except disclosure year 2022: (i) whether, and if so how, Aurora has improved consumer	NA	<p>Could be improved to meet clause 2.8.5A(3) engagement requirements and reflect GEIP.</p> <p>Aurora is aware of general lack of knowledge of its customer charter. It had made it more easily</p>

Clause	Description	Assessment for 2022	Assessment for 2023
	awareness of its customer charter and consumer compensation arrangement;		<p>accessible on its old website by including a link to it in the Quick Links section of the homepage (which follows outages) and plans to increase awareness in RY24.</p> <p>On its new website Aurora has listed its customer charter in the disclosure tab and has a direct link at the bottom of the home page. Aurora has commenced its review and engagement on its customer charter (see response to clause 1.4.2 above).</p>
	(ii) any payments Aurora has made in respect of each service level standard under Aurora's consumer compensation arrangement;	NA	Meets clause 2.8.5A(3) engagement requirements and reflects GEIP. as disclosed in s6.2 of the 2023 ADR.
	(iii) whether, and if so how, Aurora has taken account of consumers' feedback on any aspect of its supply of electricity distribution services – for example, feedback on Aurora's presentation of its summary of the key features of the most recent annual delivery report; and	NA	Aurora did not receive any feedback on its RY22 ADR that it presented in October 2022, nor in relation to its additional pricing methodology disclosures. Whilst the lack of feedback on 2022 engagement was noted in the 2023 ADR, we note that we did not see any minutes of any public meetings on Aurora's websites and recommend that Aurora considers doing do for future meetings to the extent that it would usefully inform consumers.
	(iv) the different groups of consumers Aurora has engaged with;	NA	<p>Meets clause 2.8.5A(3) engagement requirements and reflects GEIP.</p> <p>Aurora has attempted to engage with many different stakeholder groups.</p>

6. Other engagement obligations

The table below sets out our assessment as to whether Aurora’s engagement consultation practices with consumers in relation to additional consultation requirements set out in clause 2.5 of the Determination meet the clause 2.5.7 (relating to the development plan, the project and programme delivery plan, and each annual delivery report) Determination consultation requirements and reflect GEIP, or and could be improved.

Table 6.1: Other engagement obligations

Clause	Description	Assessment
2.5.4(2)(c)	By 31 March 2022, publicly disclose Aurora’s ‘project and programme delivery plan’ that describes how Aurora plans to communicate with consumers and other stakeholders when it needs to reprioritise or substitute capital expenditure or operational expenditure projects or programmes during the CPP regulatory period	Meets clause 2.5.7 engagement requirements and reflects GEIP. Stated as published on 31 March 2022. Aurora has also published on its website at Aurora CPP disclosure summaries supporting user friendly and informative one pager sub-plans (for example, its Customer Charter development plan).
2.5.4(4)	By 31 May 2022, and according to the requirements of clause 2.5.7, present to consumers in each Aurora pricing region, a summary of the key features of the development plan, the project and programme delivery plan, and the safety delivery plan under subclauses (1) to (3)	Meets clause 2.5.7 engagement requirements and reflects GEIP. Aurora completed community drop in events in May 22 (in Dunedin, Alexandra, Queenstown and Wanaka to engage on the CPP Plans). As evidenced on Aurora’s website, Aurora provided the printed material and information blown up on boards set up on easels for the community drop in events.
2.5.5	For each disclosure year after disclosure year 2021, Aurora must, (2) within 2 months after publicly disclosing an annual delivery report under subclause (1), and according to the requirements of clause 2.5.7, present to consumers in each Aurora pricing region, a summary of the key features of that annual delivery report	Meets clause 2.5.7 engagement requirements and largely reflects GEIP. Aurora completed drop in events in October 22 (Dunedin, Alexandra, Queenstown and Wanaka) to engage on the RY22 ADR. Aurora provided a summary of the 2022 ADR on its website and a higher level summary in its <i>Your Network, Your News</i> October 2022 update (the 2023 ADR summary was in preparation at the date of our initial review). We consider that a direct link to the 2022 ADR and summary in the <i>Your Network, Your News</i> would be better than Aurora’s website.
2.5.7	When presenting the summary of the key features of the development plan, the project and programme delivery plan, and the safety delivery plan under clause 2.5.4(4), and each annual delivery report under clause 2.5.5(2), Aurora must ensure it presents that summary in a public forum (1) in a format that allows Aurora’s consumers to readily understand and engage with Aurora and	Meets clause 2.5.7 engagement requirements and reflects GEIP. Aurora has provided customer summaries on its website at Aurora CPP disclosure summaries for the development plan, the project and programme delivery plan, and the safety delivery plan. As evidenced on Aurora’s website, Aurora provided printed material and displayed on boards set up on easels for the community drop in events. Aurora provided a summary of the 2022 ADR on its website and a higher level summary in its

Clause	Description	Assessment
	<p>the information presented; (2) of which Aurora publishes reasonable notice on its website and via other suitable means of communication; and (3) that, except where it is not feasible for reasons outside Aurora’s control, is held in a physical venue that is accessible to Aurora’s consumers</p>	<p><i>Your Network, Your News</i> October 2022 update (the 2023 ADR summary was in preparation at the date of our initial review). We consider that a direct link to the 2022 ADR and summary in the <i>Your Network, Your News</i> would be better than Aurora’s website.</p> <p>Aurora published reasonable notice on its website and via other suitable means of communication (e.g. Facebook, <i>Your Network, Your News</i>) of the community drop in events and confirmed that it provided physical locations for the meetings conducted in 2022.</p>