



# Engagement Programme Summary Report – Phase 2

Prepared for: Essential Energy

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## 1. Background and objectives

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Essential Energy is a NSW Government owned corporation with responsibility for building, operating and maintaining Australia's largest electricity network. The organisation's service area covers most of New South Wales and a small part of Southern Queensland, and is operated as three regions, Northern, North Coast and Southern.

In common with all providers of electricity networks in the National Electricity Market, Essential Energy is required to submit to the Australian Energy Regulator a regulatory proposal and tariff structure statement on a five year basis. This regulatory proposal is due to be submitted for the 2019-24 period in April 2018.

Woolcott Research was commissioned to conduct a significant programme of customer and stakeholder engagement to contribute to the development of the regulatory proposal.

The engagement programme had to:

- be consistent with and build upon Essential Energy's Stakeholder Engagement Framework and associated guide and the Energy Networks Association's Customer Engagement Handbook, and;
- meet the requirements of Chapter 6 of the National Electricity Rules (NER) and the Australian Energy Regulator's (AER) Consumer Engagement Guideline for Network Service Providers.

## 2. Engagement plan

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The engagement plan consists of three phases.

Throughout the whole engagement period there has been a dedicated website available for people to visit to ask questions, provide feedback and complete the survey at:

<http://essentialenergy.com.au/yoursay>

The first phase was conducted to gain feedback on the issues and the findings from this are reported separately.

Phase one consisted of:

- An online survey with a representative sample of 752 residential customers and 250 small to medium businesses.
- The online survey on the dedicated website (n=34 residents and n=4 businesses).
- 11 in-depth interviews with large customers and stakeholders.
- Seven deliberative community forums with residential customers across the network area.

The second phase enabled Essential Energy to draft the regulatory proposal and the findings from this phase are presented in this report.

Phase two consisted of:

- An online survey with a representative sample of 754 residential customers and 250 small to medium businesses.
- The online survey on the dedicated website (n=11 residents).
- 16 in-depth interviews with large customers and stakeholders.
- Seven deliberative community forums with residential customers across the network area.

The third phase will test the content of the draft regulatory proposal and is due to take place early in 2018.

### 3. Methodology

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This report is a summary of the findings of phase 2 of the engagement programme. This includes:

- An online survey with n=754 residents and n=250 businesses,
- A 'Your say' engagement website which included an online survey with n=11 residents,
- 16 in-depth interviews with stakeholders, and
- Seven community deliberative engagement forums.

#### 3.1 Online surveys

An online survey was conducted with a representative sample of n=754 residential customers and n=250 small to medium business customers. Sample was obtained through a reputable and quality assured research panel provider. The questionnaires are included in the appendix.

The surveys were scripted and hosted internally to ensure strict quality control procedures were applied in the checking of set-up, and in monitoring progress on a daily basis. The fieldwork was conducted in late August and early September 2017.

During analysis of the data for the residential survey, interlocking weights were applied for age, gender and region to ensure the data is representative of the Essential Energy network area. For the business survey weights were applied to size of business.

#### 3.2 'Your say' microsite

In addition to the online survey with the panel provider the second phase of the engagement programme also involved a dedicated website 'Your say' which was available from mid-August to mid-September. A total of n=11 residential survey completes were obtained through the website. These results have been integrated with the online surveys.

#### 3.3 Stakeholders

Woolcott Research were provided with a list of 38 stakeholders to approach for inclusion in the engagement programme. Those included were highly engaged with the regulatory process, consumer groups, large customers, retailers and local councils. A total of n=16 in-depth interviews were conducted.

### 3.4 Deliberative forums

Seven community engagement forums were conducted across the network area. A total of n=518 residents attended the seven forums from the regions indicated in the table below:

Region	(n=518)
<b>NORTH COAST</b>	<b>76</b>
Port Macquarie	76
<b>SOUTHERN</b>	<b>235</b>
Goulburn	78
Cootamundra	82
Wagga Wagga	75
<b>NORTHERN</b>	<b>207</b>
Tamworth	78
Broken Hill	54
Dubbo	75

A deliberative methodology was used for the forums whereby participants were seated at round tables and engaged in discussion for much of the duration of the events. Deliberative methods are ideal for enabling meaningful dialogue between participants, exploring complex issues and for getting beyond initial reactions and knee-jerk responses.

The forums consisted of a mix of table discussions, presentations and films shown at the front, and participant response and feedback sessions from tables. The agenda is included in the appendix. Woolcott Research provided a Lead Facilitator, who chaired the forums, and eight table facilitators for each of the forums.

Keypad polling was also included whereby participants were each given a handheld device that was used to answer questions shown on screen, enabling results to be given in real time.

After each event the data from laptops and from keypads was collated and downloaded for analysis. Interlocking weights were applied to the data from the keypads to ensure it was representative of the Essential Energy area in terms of gender, age, and region.

Recruitment for the forums took place up to two-three weeks before each forum. Those who attended the first phase of forums were invited back to participate in the second phase. Incidence of first phase participants attending the second phase was 52%.

For additional participants, stratified random sampling was used to sample participants from the regions surrounding the forum locations. People were telephoned randomly from the area

surrounding the forum locations and asked for their interest in attending, then those who were interested completed a short screening questionnaire. Quotas were set on location, age, and gender. Additional participants were also gathered through already recruited participants who referred others in the region. This resulted in the inclusion of people 'off the street' who were not generally engaged in the electricity industry. Over a hundred participants were recruited for each forum.

## 4. Combined findings

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### 4.1 Awareness of Essential Energy

As in Phase 1, there was high awareness of Essential Energy (86% of residents in the survey and 93% of businesses) but not much clarity about the role of the organisation. Most had a vague idea about what Essential Energy does (involved in electricity, supplier of electricity, poles and wires). Similar to the last phase, awareness of Essential Energy and its role was slightly lower in the Southern region for residents.

### 4.2 Attitudes towards vegetation

During the first phase of forums it was often raised that customers were concerned about the appearance and management of vegetation. As this amounts to a significant proportion of operating expenditure for Essential Energy, there was a specified section of the forums and surveys on management of vegetation in phase 2.

Forum discussions regarding vegetation were robust with most participants having views about trees and the way in which they are trimmed in their local area. Whilst there was some agreement (57% in forums, 52% resident survey and 48% business survey) that trimming cycles should be increased so that trees are trimmed less frequently but more severely, the stronger view was that it may be more practical in some instances to remove existing vegetation and have it replaced with more appropriate shrubs and trees (90% forums, 77% resident survey, 74% business survey).

While passing costs onto Local Councils or private landowners in circumstances where the wrong tree was planted after the power line was constructed was supported to some degree in the quantitative surveys (59% residents, 52% businesses), forum participants were less likely to agree after deliberation (40% agreeing, with 53% disagreeing). The general perception was that this would only increase the complexity further and cause potential angst regarding who was 'responsible'. Many stakeholders were also concerned about this proposition because of the difficulty in defining and managing this. They also suggested that there should be better communication in the future to ensure that appropriate trees are planted in new developments.

The idea of Essential Energy safely stacking vegetation in some rural areas rather than processing it on site into wood chips, was also put to participants. There were mixed views on this issue with 50% of forum participants agreeing, 54% of resident survey participants and 48% of business survey participants agreeing. When a monetary saving of \$0.38 was put to participants only 40% supported this in the forums, 41% in the resident survey and 35% in the business survey. Stakeholders believed



that this was a question for rural customers specifically and that there were pros and cons to the proposition.

#### 4.3 Reliability and response times

There was little support for an alternate practice regarding unplanned outages in rural/remote areas and a change to planned outage response times. Forum participants were empathetic towards the situation of others and were unlikely to support changes that might negatively impact others (especially farmers and home run businesses, the elderly, and those with a lower income). It was widely believed that the electricity grid should be managed with equity in mind.

Specifically, participants were asked to share their attitudes towards potentially extending the duration of an unplanned outage to up to 16 hours, in cases when five or fewer people are affected by the outage, for a cost saving of \$0.35 for all customers. There was very little support for this with 88% of forum participants opting for the current practice, 86% in the resident survey and 85% in the business survey.

Participants were also asked whether the timing of outages should be changed to start earlier (from 7am) or extend later (to 4pm), or both, for varying cost savings. In the surveys there was some support for timings of outages to be extended earlier and later from 7am to 4pm (32% resident survey, 33% business survey), however most preferred current practices to continue (9am-2pm) – (50% forums, 44% resident survey, 42% business survey). In the forums, after deliberation, there was little support for outages to start from 7am due to the potential disruption caused to workers and families getting children ready for school.

Increasing reliability for those in lower availability areas was also tested with customers. There was strong support for paying \$0.10 more a quarter to complete reliability improvements on areas with lower availability, particularly in the forums where over three quarters (76%) of participants across all of the forums indicated that they strongly agreed. There was also 56% support in the resident survey and 52% in the business survey. Stakeholders supported this too, however there was a strong call for alternative technologies (such as microgrids and batteries) to be considered to improve reliability in these areas rather than long radials.

#### 4.4 Streetlighting

In the surveys, only around a third of respondents indicated that they would contact Essential Energy in the case of a faulty streetlight, highest amongst North Coast participants, with many indicating that they would contact their local council (57% residential and 59% businesses). Awareness that this incident could be reported online was even lower.

Expected response times for street light repairs ranged (on average) from 4-5 days, with most residents and businesses indicating a 3 day timeline as reasonable. However, when the question was posed if a 7 day period was reasonable, 64% of residents and 60% of businesses agreed it was.

#### **4.5 Pricing mechanisms**

Informing and educating customers about the different pricing options was seen to be a priority amongst forum participants. This was reflected in the quantitative survey with less than half of business respondents (46%) and only just over a third of residential respondents (37%) being aware of different price options or plans being offered by retailers. Additionally, only 9% of residents and 7% of businesses were aware of different pricing options offered by Essential Energy.

In the survey over three in five residential respondents (62%) and businesses (61%) did not actually know which plan they were on. Participants at the forums called for clear and simple billing to ensure customers know which plan they are on and what that means for their energy usage. More than half of survey respondents (51% residents and 56% businesses) wanted to see their bill split into different components for further transparency.

Individual pricing mechanisms were met with mixed responses, however the overall goal of moving towards cost reflective pricing was generally supported at forums. There was the belief that electricity companies should be encouraging better usage behaviour and offering incentives for positive behavioural change.

##### ***Time of use pricing***

Time of use pricing was reasonably well understood by forum participants, with many familiar with the terms peak and off peak pricing. However, while it was believed to be a good idea in principle, it was recognised as being difficult for those working 'standard' 9am-5pm jobs. There was also much confusion about whether they were currently on a time of use plan or not. Quantitatively only 4% of residents and 2% of businesses surveyed stated that they were actively using these plans with their retailer. 'Solar boost' retailer plans were the most commonly undertaken plans amongst residents and businesses (8% each).

##### ***Seasonal pricing***

Reactions to seasonal pricing were quite negative at the forums, especially for those in areas with extreme temperatures who pointed out that electricity usage was a necessity, not a comfort, during these times. This was reflected in the forum keypad voting with only 14% supporting this pricing strategy. Some stakeholders were also concerned about the possible introduction of this pricing mechanism due to its potential complexity.

### ***Controlled load***

Conceptually, the idea of controlled load was well received at the forums. Most were familiar with controlled load for hot water and pool pumps and felt that controlling for when they turn on and off made logical sense. However, they were less accepting of this system for other appliances such as air conditioners.

### ***Electric vehicles***

At the forums almost eight in ten (79%) supported an introduction of a price specifically for Electric Vehicles to encourage customers to charge these vehicles at off-peak times. Over half preferred a time of use option where customers can reduce charges if they charge their car in off-peak times (55%) with 31% preferring a controlled load option whereby customers can connect the car to an outlet which only receives power overnight, similar to some hot water systems.

### ***Demand tariffs***

Most understood the reasoning behind the potential introduction of demand charges to customers but were concerned about how the 'peaks' would be measured and the tariff calculated. Nearly half (45%) of forum participants suggested that they would consider a pricing option that included a demand charge at peak times if their fixed and variable prices decreased.

Most stakeholders supported a transition to demand pricing because it is seen to provide more control to the consumer, is cost reflective, is more efficient and it seems that the AER is requesting it anyway. However, education was thought to be essential due to the potential complexity associated with demand pricing. Some commented on the way that demand tariffs should be calculated – averaged rather than just one peak.

There was overwhelming support at the forums for the introduction of new tools to assist customers in understanding their usage, at a cost of \$0.20 per quarter (78%).

Although there was agreement by stakeholders that Essential Energy should help support customers to understand any new tariffs, many believed that they should not charge customers to access these tools, and that they should work with retailers to ensure customers are receiving consistent information.

### ***Fixed and variable charges***

At the forums participants were presented with the notion of increasing the fixed portion of charges, and reducing the variable portion, to better reflect expenditure by Essential Energy. This topic was met with confusion by participants. While predictability of bills was perceived as the main benefit

of a rise in the fixed charge component, many thought that having a higher fixed component and therefore lower usage component, would result in a loss of control to consumers, i.e. not allowing consumers to alter their bills as much through their own electricity saving measures. They believed it would actually encourage people to use more electricity as any energy saving behaviour would result in a less significant cost saving with a reduced variable component. More than half of participants (55%) indicated they preferred to see no change to the current proportion of fixed versus variable charges, with a further fifth of participants unable to respond (19% 'don't know').

There was limited support for any increase to the fixed component by stakeholders as it does not give consumers the ability to respond or change their behaviour. It was thought that the impact would be on smaller users and vulnerable customers and that Essential Energy would need to help to transition these customers should fixed components increase.

### ***Cost reflective pricing principles***

Participants at the forums were asked to provide some overarching 'principles' for cost reflective pricing. The principles that forum participants wanted to see adhered to included:

- Informing and educating customers about the different pricing options - providing clear and easy to understand information about cost savings within the different plans such as demand tariffs or time of use options.
- Clear and simple billing – to ensure customers know which plan they are on and what that means for their energy use.
- Equity and fairness for all customers with support for vulnerable customers in particular.
- No penalties for those who cannot change their lifestyle or behaviours to fit the new plans (a carrot rather than a stick approach if possible).
- Tailored solutions for different types of customers, i.e. ensuring there is a choice of options and that there is advice given on which would suit particular customers.
- Cost savings, incentives and rebates within the options need to be large enough to ensure that people do change their behaviours.
- Ultimately participants wanted to ensure that customers are still able to choose how and when they use electricity to suit their needs and lifestyles.

## **4.6 Investment initiatives**

Investment into R&D was the most supported initiative amongst survey participants (49% residential and 48% businesses) who indicated their willingness to support the investment with an increase of \$0.30 per quarter. This would enable Essential Energy to adapt to support new energy technologies in the future. Most stakeholders also supported more investment to research and development, with many indicating that all businesses should do this.

Support for a black spot program that targets poles which are at high risk of being involved in vehicle accidents was strong (78% of residents and 74% of businesses supporting the initiative) for a cost of \$0.06 a quarter.

#### 4.7 Communication

Although there was support for Essential Energy to engage with the community and ask for feedback through forums and surveys, in the online survey there was not much support to improve the quality of communication with customers for a slight increase in quarterly bills of \$0.30, with only 26% of residents and 21% of businesses supporting this proposal. This question could have been interpreted as informing them rather than involving the community in decision making, which was more positively viewed. Stakeholders showed a high level of support for increasing customer engagement expenditure, although there was a call for further information about what this would involve.

In Phase 1, most found text message alerts adequate in the case of raising awareness about upcoming outages. Further communication gathered little support in Phase 2 with only 27% of residents and 24% of businesses advocating support for hourly outage updates for a cost of \$0.35 a quarter. Stakeholders supported the concept of improved communication but were divided about the extra cost for this.

#### 4.8 Engagement evaluation

Findings from the first phase of forums were presented at the commencement of the Phase 2 forums, in the form of a list of values that were prioritised in the first round. Participants were then asked to indicate whether this list of values reflected the values that they themselves held personally. More than 90% at each forum stated that the values presented reflected their own, either fully or partially.

Before commencing the forum's main content, and at the conclusion of each forum, the forum audience were asked to consider how they would rate Essential Energy on a range of attributes, including:

- Listening to customers;
- Having customers interests' at heart;
- Being open and honest;
- Educating customers on the Electricity Network; and,
- Essential Energy overall.

It is evident that the forum engagement process had a positive influence on the Essential Energy brand as most attributes showed an improvement from pre to post forum, with most improvement

shown with 'having customers' interests at heart' and being 'open and honest'. There was also a noteworthy increase in the percentage of forum participants indicating a score of 8-10 for their perception of Essential Energy overall, increasing from 39% pre forum to 55% post forum.

Participants were also asked to complete an end of session questionnaire to evaluate the forums. Ninety eight per cent (98%) of participants stated that they enjoyed taking part, 95% stated that they were informative, 98% felt the sessions were well organised and structured, 96% said they were able to provide their views and contribute during the sessions, 83% believed that Essential Energy were going to act on the information from the session and 99% believed that forums like these are a good way of consulting the public about issues.

The online survey also demonstrated that respondents felt that a survey was a good way of Essential Energy obtaining feedback from customers (80% residents, 81% businesses).

## 5. Key observations to emerge from phase 2

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The following are some key observations that have emerged from phase 2 of the engagement programme:

- Awareness of the Essential Energy brand is high, however there is much confusion amongst consumers about the specific role of Essential Energy.
- Vegetation appearance and management is an area of interest to customers who are focused on a cost effective long-term approach. There is support for Essential Energy removing existing vegetation in some instances and replacing it with more appropriate shrubs and trees that will not impact powerlines. In other instances there is some support for increasing the trimming cycle and cutting trees more severely (but in a safe and ideally aesthetically pleasing way). There were more mixed views regarding the other initiatives put forward.
- There was little support for a change in practices for unplanned outages in instances that affect fewer than five customers or support for a change in response times for planned outages (i.e. it was thought that they should remain at 9am-2pm).
- There was support for paying a little more to increase reliability in rural and remote areas, i.e. paying \$0.10 more a quarter to complete reliability improvements in areas with lower availability.
- Most believed that local councils were responsible for operating and maintaining street lighting. There was little awareness that reporting a faulty streetlight could be done online. Most agreed that a seven day period for fixing a faulty streetlight was reasonable.
- Customers are often unaware of the options available to them in terms of type of plan and even which plan they are currently on.
- In principle cost reflective pricing was generally understood and supported at the forums.
- Time of use pricing was believed to be a good idea theoretically but hard for those working full time. Controlled load was also supported for hot water systems and pool pumps but participants struggled to see the benefits of this for other appliances. However, there was some support for this for electric cars (although time of use was preferred). Seasonal pricing was not supported but many stated that they would consider a demand tariff if the fixed and variable prices decreased.
- Most struggled to see the benefits of increasing the fixed component of the bill as it was thought that this would discourage energy saving behaviours and penalise those with low usage. Instead it was suggested that the fixed and variable proportions remain as they are.
- When considering the introduction of further cost reflective pricing, participants called for:
  - Clear and easy to understand information on the different options available and simple transparent billing.

- Equity and fairness for all customers, with support for vulnerable customers in particular.
- Tailored solutions for different types of customers, i.e. ensuring there is a choice of options and that there is advice given on which would suit particular customers.
- Offerings of cost savings, incentives and rebates need to be large enough to encourage behaviour change.
- The ability of customers to still be able to choose how and when they use electricity to suit their needs and lifestyles.
- The vast majority at the forums wanted to see the introduction of new tools to assist in understanding their usage, at a cost of \$0.20 per quarter.
- There was some support for Essential Energy to invest into R&D to ensure they can adapt to support new energy technologies, for a cost of \$0.35 to every customer, however it was still not the majority that supported this. Other initiatives around communication were not really supported.
- Participants were generally highly positive about Essential Energy's engagement activities, demonstrated by improvements in the attributes tested pre and post forum, and the positive feedback on the sessions and survey.



## 6. Appendix

### 6.1 Consumer survey

FINAL 31/08/2017

Client: Essential Energy (Residential Survey); Phase 2

Sample: N=750

We are currently conducting a study on behalf of an Energy provider. Thank you for agreeing to take part in this survey. It should only take approximately 5-10 minutes to complete.

#### Demographics

Firstly, some questions to ensure we have a good cross section of people.

1. Are you... AUTOMATIC NEXT QUESTION  
Male 1  
Female 2
2. Which of the following age groups best describes you? AUTOMATIC NEXT QUESTION  
18-24 1  
25-34 2  
35-44 3  
45-54 4  
55-64 5  
65 or over 6
3. Do you speak a language other than English at home? AUTOMATIC NEXT QUESTION  
No, English only 1  
Yes 2
4. Are you of Aboriginal or Torres Strait Islander origin? AUTOMATIC NEXT QUESTION  
No 1  
Yes 2  
Prefer not to say 3
5. What is the postcode of your home address? IF OUT OF AREA TERMINATE  
\_\_\_\_\_
6. Do you or anyone in this household work in any of the following industries?  
*Please select all that apply.* PROGRAMMER: ROTATE CODES, MULTIPLE RESPONSE ALLOWED

Advertising	1	TERMINATE
Education	2	
Energy supply	3	TERMINATE
Banking/finance	4	
Government and defence	5	
Health and community services	6	
Manufacturing	7	
Marketing/market research	8	TERMINATE
Media/public relations	9	TERMINATE
Mining	10	
Personal services	11	
Retail trade	12	
Telecommunications services	13	
Not currently working	14	
Other	15	

7. Do you, or any immediate members of your family, work for the following organisations:

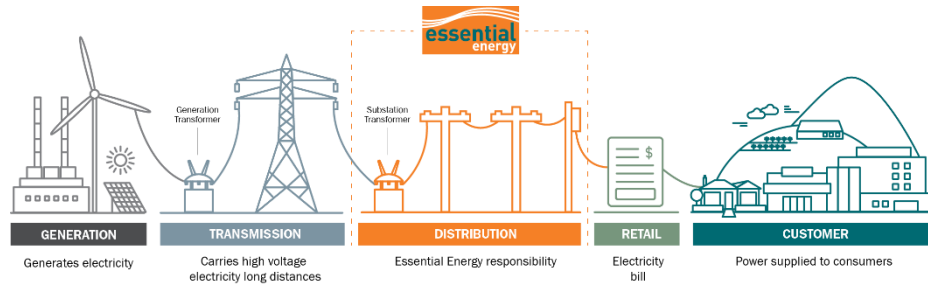
- |                       |               |
|-----------------------|---------------|
| An energy distributor | 1 - TERMINATE |
| An energy retailer    | 2 - TERMINATE |
| An energy generator   | 3 - TERMINATE |
| None of the above     | 4             |

## Awareness and familiarity

8. Have you heard of Essential Energy? AUTOMATIC NEXT QUESTION

- Yes 1 – ASK Q9  
No 2 – SHOW STATEMENT BELOW, THEN GO TO Q10

(IF NO) Essential Energy is the energy distributor for your region. This means that they are responsible for the electricity network including poles, wires, substations and transformers, regardless of who your energy retailer is. Essential Energy are not an energy retailer.



9. From what you know or have heard about Essential Energy, what services do you know they provide?

## Vegetation

The management of vegetation under powerlines is one of the biggest cost areas for Essential Energy. Listed below are a number of strategies they could adopt to reduce the cost of vegetation management. Any cost savings would then be passed onto customers.

10. To what extent do you agree or disagree with increasing the average trimming cycle by about 6 months in urban areas. This would result in Essential Energy having to trim more of the tree but less often, which may negatively impact on the visual appeal of the vegetation. AUTOMATIC NEXT QUESTION

	Q10
Strongly agree	1
Slightly agree	2
Neither agree or disagree	3
Slightly disagree	4
Strongly disagree	5
Don't know	6

11. And would you support this strategy if it resulted in saving customers an average of \$2.30 per quarter? AUTOMATIC NEXT QUESTION

Yes	1
No	2
Don't know/undecided	3

12. Another strategy used elsewhere in Australia would be to pass costs of vegetation maintenance onto local Councils and private landowners in circumstances where the wrong type of tree was planted after the power line was constructed, to what extent do you agree or disagree with this strategy? AUTOMATIC NEXT QUESTION

	Q12
Strongly agree	1
Slightly agree	2
Neither agree or disagree	3

Slightly disagree	4
Strongly disagree	5
Don't know	6

13. And would you support this strategy if it saved customers an average of \$4.50 per quarter?

AUTOMATIC NEXT QUESTION

Yes	1
No	2
Don't know/undecided	3

14. Essential Energy could also reduce costs by safely stacking vegetation that has been cut in some rural areas rather than processing it on site into wood chips. To what extent would you agree or disagree with this strategy? AUTOMATIC NEXT QUESTION

	Q14
Strongly agree	1
Slightly agree	2
Neither agree or disagree	3
Slightly disagree	4
Strongly disagree	5
Don't know	6

15. And would you support this if it saved customers an average of \$0.38 per quarter? AUTOMATIC NEXT QUESTION

Yes	1
No	2
Don't know/undecided	3

16. Costs could also be reduced if Essential Energy could permanently remove vegetation and selectively replant more appropriate types of vegetation rather than continue to cut the current vegetation. To what extent do you agree or disagree with this? AUTOMATIC NEXT QUESTION

	Q16
Strongly agree	1
Slightly agree	2
Neither agree or disagree	3
Slightly disagree	4
Strongly disagree	5
Don't know	6

17. And would you support this if it saved customers an average of \$0.49 per quarter? AUTOMATIC NEXT QUESTION

Yes	1
No	2
Don't know/undecided	3

## Street lighting

18. Who would you contact to report a faulty streetlight?

- |                               |   |
|-------------------------------|---|
| Local Council                 | 1 |
| Essential Energy              | 2 |
| Other (please specify): _____ | 3 |

Essential Energy is responsible for ensuring the maintenance of about 145,000 streetlights serving more than 100 councils across NSW.

19. Did you know that you can report a faulty streetlight online? AUTOMATIC NEXT QUESTION

- |     |   |
|-----|---|
| Yes | 1 |
| No  | 2 |

20. How many days after a streetlight fault has been reported do you think Essential Energy should have to fix it?

\_\_\_\_\_ days

21. Do you think doing repairs within 7 days on average from the time the streetlight fault is reported would be reasonable? AUTOMATIC NEXT QUESTION

- |                      |   |
|----------------------|---|
| Yes                  | 1 |
| No                   | 2 |
| Don't Know/undecided | 3 |

## Response times

22. On average, Essential Energy supplies power to customers 99.9% of the time (excluding planned maintenance work and major weather events). They typically respond to power outages outside of business hours within one hour, and restore supply in under two and a half hours on average. The following alternate scenario would lengthen response times for a small number of customers, but reduce electricity costs for all customers. Which would be your preferred scenario? AUTOMATIC NEXT QUESTION

OUTAGE TRAITS	Current Practice	Alternate scenario
Number of customers without power	Less than 5 per outage	Less than 5 per outage
Time of the week	Outside of business hours	Outside of business hours
Response time	No change	up to an additional 16 hours without power per outage
Quarterly Bill Change	No change	-\$0.35

23. Outages affect both residential and business customers. Having some planned work starting earlier in the day and finishing later in the day would allow Essential Energy to complete work on the network quicker and reduce costs, but could be inconvenient to some customers. It would also have a positive impact on reliability over time. Do you think that Essential Energy should start work

on some outages earlier (i.e. prior to 9am) provided there is prior notification and it is reasonable given factors such as weather? Which of the following options do you prefer? AUTOMATIC NEXT QUESTION

	Current	Earlier only	Later only	Earlier and Later
Usual planned outage times	9am to 2pm	7am to 2pm	9am to 4pm	7am to 4pm
Impact on quarterly electricity costs	No change	-\$0.35	-\$0.15	-\$0.50

- No change 1
- Earlier only 2
- Later only 3
- Earlier and later 4

## Billing

24. Who is your current electricity retailer (i.e. who sends you the electricity bills)?

- Origin 1
- AGL 2
- Energy Australia 3
- Red Energy 4
- ACTEW AGL 5
- Other (please specify) 6 \_\_\_\_\_
- Don't know 7

25. Essential Energy is not a retailer, however are you aware of any different price options or plans offered by your retailer? AUTOMATIC NEXT QUESTION

- Yes 1
- No 2

26. If yes, which options are you aware of?

Open text (unprompted)

27. Which of the following do you think your retailer offers? MR

- Anytime price 1
- Anytime price with controlled load 2
- Single rate 3
- Single rate with controlled load 4
- Time of Use 5
- Time of Use with controlled load 6
- Solar Boost 7
- Other (please specify) 8
- Don't know 9 SR

28. Which plan are you on? AUTOMATIC NEXT QUESTION

- Anytime price 1

Anytime price with controlled load	2
Single rate	3
Single rate with controlled load	4
Time of Use	5
Time of Use with controlled load	6
Solar Boost	7
Other (please specify)	8
Don't know	9

29. Are you aware of any different price options offered by Essential Energy (i.e. your distributor)?

AUTOMATIC NEXT QUESTION

Yes	1
No	2

30. Would you like to see your bill split into different components e.g. generation, distribution and retail costs? AUTOMATIC NEXT QUESTION

Yes	1
No	2
Don't know/undecided	3

31. Have you considered adopting any of the following new technologies for your electricity? MR

Solar	1
Batteries	2
Off grid	3
Other (please specify)	4
No	5

## Reliability

32. Some rural areas suffer lower levels of reliability than other locations, due to the cost of servicing the lines needed to reach them. To what extent would you agree or disagree with Essential Energy increasing network charges for each customer by \$0.10 per quarter to complete the reliability improvements in areas with lower availability? AUTOMATIC NEXT QUESTION

Strongly agree	1
Slightly agree	2
Neither agree or disagree	3
Slightly Disagree	4
Strongly disagree	5
Don't know	6

33. Do you agree or disagree with Essential Energy implementing a black spot program that targets poles which are at high risk of being involved in vehicle accidents? These poles cause network interruptions and put drivers at risk of collision. AUTOMATIC NEXT QUESTION

Strongly agree	1
Slightly agree	2
Neither agree or disagree	3

Slightly disagree	4
Strongly disagree	5
Don't know	6

34. And would you support this if it increased costs to customers by an average of \$0.06 per quarter?

AUTOMATIC NEXT QUESTION

Yes 1  
No 2  
Don't know/undecided 3

#### Other operating expenditure

35. Should Essential Energy increase the amount they spend on communicating with customers to improve the quality of communication, at an increase in network charges to customers of about \$0.30 per quarter? AUTOMATIC NEXT QUESTION

Yes 1  
No 2  
Don't know/undecided 3

36. Should Essential Energy invest in research and development to ensure they can adapt to support new energy technologies, at an increase in network charges to customers of about \$0.30 per quarter? AUTOMATIC NEXT QUESTION

Yes 1  
No 2  
Don't know/undecided 3

37. Should Essential Energy invest in improved communication which allows customers to be updated hourly during outages, at an increase in network charges to customers of about \$0.35 per quarter? AUTOMATIC NEXT QUESTION

Yes 1  
No 2  
Don't know/undecided 3

#### Engagement evaluation

38. Do you agree or disagree that surveys such as these are a good way of Essential Energy obtaining feedback from customers? AUTOMATIC NEXT QUESTION

Yes 1  
No 2  
Don't know/undecided 3

39. Do you have any further comments about your **electricity distribution** that you do not feel are covered by this survey?



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Thank you for your time.

## 6.2 Business survey

FINAL 25/09/2017

Client: Essential Energy (Business Survey); Phase 2

Sample: N=250

Thank you for completing this survey. It should only take approximately 10 minutes to complete.

### Demographics

Firstly some questions to ensure we have a good cross section of people.

1. What is the postcode of your business? IF OUT OF AREA TERMINATE

\_\_\_\_\_

2. What exactly does your business do?

\_\_\_\_\_

3. And what industry does your business operate within? AUTOMATIC NEXT QUESTION

Accommodation, cafes and restaurants	1
Agriculture, forestry, fishing and hunting	2
Communication services	3
Construction	4
Cultural and recreational services	5
Education	6
Electricity, Gas and Water supply	7
Finance and insurance	8
Government administration and defence	9
Health and community services	10
Manufacturing	11
Mining	12
Other	13
Personal services	14
Property and business services	15
Retail trade	16
Transport and storage	17
Wholesale trade	18

4. How many employees do you have in your business, by employees I mean full time equivalents other than the proprietor? AUTOMATIC NEXT QUESTION

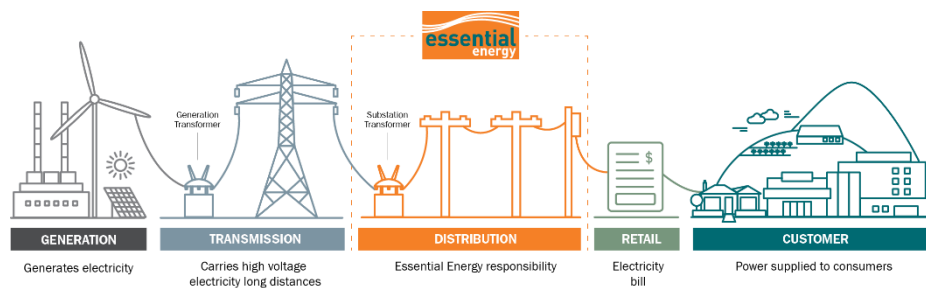
No employees/sole trader	1	
1 - 4 employees	2	
5 - 10	3	
11 - 19	4	
20 - 199	5	
200+	6	TERMINATE

5. Do you, or any immediate members of your family, work for the following organisations:
- |                       |               |
|-----------------------|---------------|
| An energy distributor | 1 - TERMINATE |
| An energy retailer    | 2 - TERMINATE |
| An energy generator   | 3 - TERMINATE |
| None of the above     | 4             |

## Awareness and familiarity

6. Have you heard of Essential Energy? AUTOMATIC NEXT QUESTION
- Yes 1 – ASK Q7
- No 2 – SHOW STATEMENT BELOW, THEN GO TO Q8

(IF NO) Essential Energy is the energy distributor for your region. This means that they are responsible for the electricity network including poles, wires, substations and transformers, regardless of who your energy retailer is. Essential Energy are not an energy retailer.



7. From what you know or have heard about Essential Energy, what services do you know they provide?
- 

## Vegetation

The management of vegetation under powerlines is one of the biggest cost areas for Essential Energy. Listed below are a number of strategies they could adopt to reduce the cost of vegetation management. Any cost savings would then be passed onto customers.

8. To what extent do you agree or disagree with increasing the average trimming cycle by about 6 months in urban areas. This would result in Essential Energy having to trim more of the tree but less often, which may negatively impact on the visual appeal of the vegetation. AUTOMATIC NEXT QUESTION

	Q8
Strongly agree	1
Slightly agree	2
Neither agree or disagree	3
Slightly disagree	4
Strongly disagree	5
Don't know	6

9. And would you support this strategy if it resulted in saving customers an average of \$2.30 per quarter? AUTOMATIC NEXT QUESTION

Yes	1
No	2
Don't know/undecided	3

10. Another strategy used elsewhere in Australia would be to pass costs of vegetation maintenance onto local Councils and private landowners in circumstances where the wrong type of tree was planted after the power line was constructed, to what extent do you agree or disagree with this strategy? AUTOMATIC NEXT QUESTION

	Q10
Strongly agree	1
Slightly agree	2
Neither agree or disagree	3
Slightly disagree	4
Strongly disagree	5
Don't know	6

11. And would you support this strategy if it saved customers an average of \$4.50 per quarter? AUTOMATIC NEXT QUESTION

Yes	1
No	2
Don't know/undecided	3

12. Essential Energy could also reduce costs by safely stacking vegetation that has been cut in some rural areas rather than processing it on site into wood chips. To what extent would you agree or disagree with this strategy? AUTOMATIC NEXT QUESTION

	Q12
Strongly agree	1
Slightly agree	2
Neither agree or disagree	3
Slightly disagree	4
Strongly disagree	5
Don't know	6

13. And would you support this if it saved customers an average of \$0.38 per quarter? AUTOMATIC NEXT QUESTION

Yes	1
No	2
Don't know/undecided	3

14. Costs could also be reduced if Essential Energy could permanently remove vegetation and selectively replant more appropriate types of vegetation rather than continue to cut the current vegetation. To what extent do you agree or disagree with this? AUTOMATIC NEXT QUESTION

	Q14
Strongly agree	1
Slightly agree	2
Neither agree or disagree	3
Slightly disagree	4
Strongly disagree	5
Don't know	6

15. And would you support this if it saved customers an average of \$0.49 per quarter? AUTOMATIC NEXT QUESTION

Yes	1
No	2
Don't know/undecided	3

### Street lighting

16. Who would you contact to report a faulty streetlight?

Local Council	1
Essential Energy	2
Other (please specify): _____	3

Essential Energy is responsible for ensuring the maintenance of about 145,000 streetlights serving more than 100 councils across NSW.

17. Did you know that you can report a faulty streetlight online? AUTOMATIC NEXT QUESTION

Yes	1
No	2

18. How many days after a streetlight fault has been reported do you think Essential Energy should have to fix it?

\_\_\_\_\_ days

19. Do you think doing repairs within 7 days on average from the time the streetlight fault is reported would be reasonable? AUTOMATIC NEXT QUESTION

Yes	1
No	2
Don't Know/undecided	3

### Response times

20. On average, Essential Energy supplies power to customers 99.9% of the time (excluding planned maintenance work and major weather events). They typically respond to power outages outside of business hours within one hour, and restore supply in under two and a half hours on average. The following alternate scenario would lengthen response times for a small number of customers, but reduce electricity costs for all customers. Which would be your preferred scenario? AUTOMATIC NEXT QUESTION

OUTAGE TRAITS	Current Practice	Alternate scenario
---------------	------------------	--------------------

Number of customers without power	< 5	< 5
Time of the week	Outside of business hours	Outside of business hours
Response time	No change	up to an additional 16 hours without power
Quarterly Bill Change	No change	-\$0.35

21. Outages affect both residential and business customers. Having some planned work starting earlier in the day and finishing later in the day would allow Essential Energy to complete work on the network quicker and reduce costs, but could be inconvenient to some customers. It would also have a positive impact on reliability over time. Do you think that Essential Energy should start work on some outages earlier (i.e. prior to 9am) provided there is prior notification and it is reasonable given factors such as weather? Which of the following options do you prefer? AUTOMATIC NEXT QUESTION

	Current	Earlier only	Later only	Earlier and Later
Usual planned outage times	9am to 2pm	7am to 2pm	9am to 4pm	7am to 4pm
Impact on quarterly electricity costs	No change	-\$0.35	-\$0.15	-\$0.50

- No change 1  
Earlier only 2  
Later only 3  
Earlier and later 4

## Billing

22. Who is your current electricity retailer (i.e. who sends you the electricity bills)?

- Origin 1  
AGL 2  
Energy Australia 3  
Red Energy 4  
ACTEW AGL 5  
Other (please specify) 6 \_\_\_\_\_  
Don't know 7

23. Essential Energy is not a retailer, however are you aware of any different price options or plans offered by your retailer? AUTOMATIC NEXT QUESTION

- Yes 1  
No 2

24. [IF YES] Which options are you aware of?  
Open text (unprompted)

25. Which of the following do you think your retailer offers? MR

Anytime price	1	
Anytime price with controlled load	2	
Single rate	3	
Single rate with controlled load	4	
Time of Use	5	
Time of Use with controlled load	6	
Solar Boost	7	
Demand price	8	
Other (please specify)	9	
Don't know	10	SR

26. Which plan are you on?

Anytime price	1
Anytime price with controlled load	2
Single rate	3
Single rate with controlled load	4
Time of Use	5
Time of Use with controlled load	6
Solar Boost	7
Demand price	8
Other (please specify)	9
Don't know	10

27. Are you aware of any different price options offered by Essential Energy (i.e. your distributor)?

AUTOMATIC NEXT QUESTION

Yes	1
No	2

28. Would you like to see your bill split into different components e.g. generation, distribution and retail costs? AUTOMATIC NEXT QUESTION

Yes	1
No	2
Don't know/undecided	3

29. Have you considered adopting any of the following new technologies for your electricity? MR

Solar	1
Batteries	2
Off grid	3
Other (please specify)	4
No	5

## Reliability

30. Some rural areas suffer lower levels of reliability than other locations, due to the cost of servicing the lines needed to reach them. To what extent would you agree or disagree with Essential Energy increasing network charges for each customer by \$0.10 per quarter to complete the reliability improvements in areas with lower availability? AUTOMATIC NEXT QUESTION

	Q30
Strongly agree	1
Slightly agree	2
Neither agree or disagree	3
Slightly disagree	4
Strongly disagree	5
Don't know	6

31. Do you agree or disagree with Essential Energy implementing a black spot program that targets poles which are at high risk of being involved in vehicle accidents? These poles cause network interruptions and put drivers at risk of collision. AUTOMATIC NEXT QUESTION

	Q31
Strongly agree	1
Slightly agree	2
Neither agree or disagree	3
Slightly disagree	4
Strongly disagree	5
Don't know	6

32. And would you support this if it increased costs to customers by an average of \$0.06 per quarter?  
AUTOMATIC NEXT QUESTION

Yes	1
No	2
Don't know/undecided	3

#### Other operating expenditure

33. Should Essential Energy increase the amount they spend on communicating with customers to improve the quality of communication, at an increase in network charges to customers of about \$0.30 per quarter? AUTOMATIC NEXT QUESTION

Yes	1
No	2
Don't know/undecided	3

34. Should Essential Energy invest in research and development to ensure they can adapt to support new energy technologies, at an increase in network charges to customers of about \$0.30 per quarter? AUTOMATIC NEXT QUESTION

Yes	1
No	2
Don't know/undecided	3

35. Should Essential Energy invest in improved communication which allows customers to be updated hourly during outages, at an increase in network charges to customers of about \$0.35 per quarter? AUTOMATIC NEXT QUESTION

Yes	1
No	2
Don't know/undecided	3



## Engagement evaluation

36. Do you agree or disagree that surveys such as these are a good way of Essential Energy obtaining feedback from customers? AUTOMATIC NEXT QUESTION

- |                      |   |
|----------------------|---|
| Yes                  | 1 |
| No                   | 2 |
| Don't know/undecided | 3 |

37. Do you have any further comments about your **electricity distribution** that you do not feel are covered by this survey?

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## Demographics

38. Are you? AUTOMATIC NEXT QUESTION

- |        |   |
|--------|---|
| Male   | 1 |
| Female | 2 |

39. Which of the following age groups best describes you? AUTOMATIC NEXT QUESTION

- |            |   |
|------------|---|
| 18-24      | 1 |
| 25-34      | 2 |
| 35-44      | 3 |
| 45-54      | 4 |
| 55-64      | 5 |
| 65 or over | 6 |

40. What is your position or title within your organisation? AUTOMATIC NEXT QUESTION

- |                    |   |
|--------------------|---|
| Owner / Proprietor | 1 |
| Senior Management  | 2 |
| Other employee     | 3 |

41. How many years has your business been operating? AUTOMATIC NEXT QUESTION

- |                    |   |
|--------------------|---|
| Less than 1 year   | 1 |
| 1-2 years          | 2 |
| 2-5 years          | 3 |
| 6-10 years         | 4 |
| More than 10 years | 5 |

42. Does your business own or rent/lease its business premises? AUTOMATIC NEXT QUESTION

- |   |   |
|---|---|
| Own                                     | 1 |
| Rent/lease                              | 2 |
| Other                                   | 3 |
| Not Applicable (business run from home) | 4 |

Thank you for your time.

### 6.3 Deliberative forum agenda

Time	Session details	Responsibility	Materials
5.00-5.02pm	<b>Welcome and Introduction</b> <ul style="list-style-type: none"> <li>Woolcott Research Lead Facilitator to welcome and thank participants for coming (back). Good to see so many familiar faces.</li> <li>Introduce opening speaker</li> </ul>	WR Lead Facilitator	
5.02-5.15pm	<b>Introduction</b> <ul style="list-style-type: none"> <li>Essential Energy to recap on role of EE, i.e. distributor, not retailer. Government owned and set a revenue cap. What we do key statistics.</li> <li>Reason for engagement i.e. AER regulatory proposal.</li> <li>Description of engagement plan and where we are now</li> <li>What they told us last time – pyramid diagram from engagement focus paper (most important values – affordability, reliability, good customer service and communication, transparency on bills, environment, innovation)</li> <li>Importance of the forum to EE - have developed some suggested initiatives that we now want your feedback on.</li> </ul>	EE	PP slides
5.15 - 5.20pm	<b>Housekeeping and introduction to keypads</b> <ul style="list-style-type: none"> <li>Woolcott Research Lead Facilitator to give overview of Forum agenda and approach, the key sessions, guidelines and housekeeping. Location of toilets and evacuation in emergency.</li> <li>Lead facilitator to introduce keypads and do some warm up questions. Results shown on screen:</li> </ul> <p>PRACTICE QUESTION: Q. Where would you <b>most</b> like to go on holiday?</p> <ol style="list-style-type: none"> <li>Hawaii</li> <li>Uluru</li> <li>Europe</li> <li>Surfers Paradise</li> <li>North Pole</li> </ol> <p>REAL QUESTIONS: Q. Do the values summarised in the presentation from the last forums reflect your views?</p> <ol style="list-style-type: none"> <li>Yes</li> <li>No</li> </ol>	WR Lead Facilitator	PP slides and keypads

	<p>Q. How would you rate Essential Energy on the following, on a scale of 0-10 where 0 is very poor and 10 is excellent:</p> <p>Listening to customers 0 1 2 3 4 5 6 7 8 9 10</p> <p>Has customers' interests at heart 0 1 2 3 4 5 6 7 8 9 10</p> <p>Open and honest 0 1 2 3 4 5 6 7 8 9 10</p> <p>Educating customers on the electricity network 0 1 2 3 4 5 6 7 8 9 10</p> <p>And how would you rate your overall attitude to Essential Energy on a scale of 0-10 where 0 is very negative and 10 is very positive? 0 1 2 3 4 5 6 7 8 9 10</p>		
5.20-5.35pm	<p><b>Presentation: Vegetation</b></p> <ul style="list-style-type: none"> <li>• Not discussed much in the last forums but it is an important issue to customers and in terms of EE's total spending</li> <li>• Video material of vegetation work conducted</li> <li>• Note of key challenges, proportion of total costs - how much is spent on vegetation compared to other things</li> <li>• Show table from engagement focus paper</li> <li>• Explain what the non-cost related effects would be of <ul style="list-style-type: none"> <li>○ cutting less frequently</li> <li>○ passing on costs of vegetation management</li> <li>○ stacking vegetation</li> <li>○ permanently removing and selectively replanting</li> </ul> </li> </ul>	EE	Video PP Slides
5.35-6.00pm	<p><b>Table discussion: Vegetation</b></p> <ul style="list-style-type: none"> <li>• What do you think of the information presented?</li> <li>• Do you have any concerns or priorities about vegetation management? What do you think EE should focus on in this area?</li> </ul> <p>GIVE OUT HANDOUT 1 and ask related questions:</p> <ul style="list-style-type: none"> <li>• Should EE increase the average trimming cycle by 6 months in urban areas – i.e. cut more of the tree less often? Why/why not? <ul style="list-style-type: none"> <li>○ What are the pros and cons of cutting less frequently? What are your thoughts about the visual appearance of cutting more of the tree less frequently?</li> </ul> </li> <li>• What should EE do about managing vegetation that was planted after the power line was constructed? <ul style="list-style-type: none"> <li>○ Should EE pass costs of this vegetation maintenance onto Local Councils and private landowners where the</li> </ul> </li> </ul>	WR Facilitators	Table HANDOUT 1: VEGETATION

	<p>wrong trees were planted after the power line was constructed?</p> <ul style="list-style-type: none"> <li>○ What are the pros and cons of doing so?</li> <li>• Should Essential Energy safely stack vegetation that has been cut in some rural areas rather than process it on site into wood chips? Why/why not? <ul style="list-style-type: none"> <li>○ What are the pros and cons of doing this?</li> </ul> </li> <li>• Should Essential Energy permanently remove some vegetation and selectively replant it, rather than continue to cut it? <ul style="list-style-type: none"> <li>○ What are the pros and cons of this?</li> </ul> </li> </ul>		
6.00-6.10pm	<p><b>Key pad voting: Vegetation</b></p> <p>Q. To what extent do you agree or disagree with increasing the average trimming cycle by about 6 months in urban areas. This would result in Essential Energy having to trim more of the tree but less often, which may negatively impact on the visual appeal of the vegetation.</p> <ol style="list-style-type: none"> <li>1. Strongly agree</li> <li>2. Agree</li> <li>3. Neither agree or disagree</li> <li>4. Disagree</li> <li>5. Strongly disagree</li> <li>6. Don't know</li> </ol> <p>Q. And would you support this strategy if it resulted in saving customers \$2.30 per quarter?</p> <ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> <li>3. Don't know</li> </ol> <p>Q. Another strategy used elsewhere in Australia would be to pass costs of vegetation maintenance onto local Councils and private landowners in circumstances where the wrong tree was planted after the power line was constructed. To what extent do you agree or disagree with this strategy?</p> <ol style="list-style-type: none"> <li>1. Strongly agree</li> <li>2. Agree</li> <li>3. Neither agree or disagree</li> <li>4. Disagree</li> <li>5. Strongly disagree</li> <li>6. Don't know</li> </ol> <p>Q. And would you support this strategy if it saved customers \$4.50 per quarter?</p> <ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> <li>3. Don't know</li> </ol>	WR Facilitator	Lead PP Slides and Keypads

	<p>Q. Essential Energy could also reduce costs by safely stacking vegetation that has been cut in some rural areas rather than processing it on site into wood chips. To what extent would you agree or disagree with this strategy?</p> <ol style="list-style-type: none"> <li>1. Strongly agree</li> <li>2. Agree</li> <li>3. Neither agree or disagree</li> <li>4. Disagree</li> <li>5. Strongly disagree</li> <li>6. Don't know</li> </ol> <p>Q. And would you support this if it saved customers \$0.38 per quarter?</p> <ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> <li>3. Don't know</li> </ol> <p>Q. Costs could also be reduced if Essential Energy could permanently remove vegetation and selectively replant more appropriate types of vegetation rather than continue to cut the current vegetation. To what extent do you agree or disagree with this?</p> <ol style="list-style-type: none"> <li>1. Strongly agree</li> <li>2. Agree</li> <li>3. Neither agree or disagree</li> <li>4. Disagree</li> <li>5. Strongly disagree</li> <li>6. Don't know</li> </ol> <p>Q. And would you support this if it saved customers \$0.49 per quarter?</p> <ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> <li>3. Don't know</li> </ol>		
6.10-6.20pm	<p><b>Presentation: Reliability and response times</b></p> <ul style="list-style-type: none"> <li>• Current overall reliability and stats on engagement feedback on reliability</li> <li>• Average responsiveness times &amp; details of poor performing feeders</li> </ul>	EE	PP Slides
6.20-6.35pm	<p><b>Table discussion: Reliability and response times</b></p> <ul style="list-style-type: none"> <li>• On average, Essential Energy supplies power to customers 99.9% of the time (excluding planned maintenance work and major weather events). They typically respond to power outages outside of business hours within one hour, and restore supply in under two and a half hours on average. Would you be happy with some customers having a longer response time but all customers paying slightly less on their bills? <ul style="list-style-type: none"> <li>○ GIVE OUT HANDOUT 2 - Which would be your preferred scenario? Why?</li> </ul> </li> </ul>		HANDOUT 2 and 3

	<ul style="list-style-type: none"><li>Do you think that EE should start work on some outages earlier (i.e. prior to 9am) provided there is prior notification and it is reasonable given factors such as weather?<ul style="list-style-type: none"><li>What are the pros and cons of this?</li></ul></li><li>GIVE OUT HANDOUT 3 - which option do you prefer? Why?</li><li>Some rural areas suffer lower levels of reliability than other locations, due to the cost of servicing the lines needed to reach them. What do you think of Essential Energy increasing network charges for each customer by \$0.10 per quarter to improve reliability in these rural areas? Either by introducing alternate technology such as microgrids or improving the lines?</li></ul>																	
6.35-6.40pm	<p><b>Key Pad Voting: Reliability and response times</b></p> <p>Q. The following alternate scenario would lengthen response times for a small number of customers, but reduce electricity costs for all customers. Which would be your preferred scenario?</p> <table><tr><th>OUTAGE TRAITS</th><th>Option 1: Current Practice</th><th>Option 2: Alternate scenario</th></tr><tr><td>Number of customers without power</td><td>Less than 5 each outage</td><td>Less than 5 each outage</td></tr><tr><td>Time of the week</td><td>Outside of business hours</td><td>Outside of business hours</td></tr><tr><td>Response time</td><td>No change</td><td>up to an additional 16 hours without power each outage on a weekday</td></tr><tr><td>Quarterly Bill Change</td><td>No change</td><td>-\$0.35</td></tr></table> <p>Q. Should Essential Energy should start work on some planned outages earlier (i.e. prior to 9am) provided there is prior notification and it is reasonable given factors such as weather? Which of the following options do you prefer?</p>	OUTAGE TRAITS	Option 1: Current Practice	Option 2: Alternate scenario	Number of customers without power	Less than 5 each outage	Less than 5 each outage	Time of the week	Outside of business hours	Outside of business hours	Response time	No change	up to an additional 16 hours without power each outage on a weekday	Quarterly Bill Change	No change	-\$0.35		
OUTAGE TRAITS	Option 1: Current Practice	Option 2: Alternate scenario																
Number of customers without power	Less than 5 each outage	Less than 5 each outage																
Time of the week	Outside of business hours	Outside of business hours																
Response time	No change	up to an additional 16 hours without power each outage on a weekday																
Quarterly Bill Change	No change	-\$0.35																

		Option 1: Current	Option 2: Earlier only	Option 3: Later only	Option 4: Earlier and Later		
	Usual planned outage times	9am to 2pm	7am to 2pm	9am to 4pm	7am to 4pm		
	Impact on quarterly electricity costs	No change	-\$0.35	-\$0.15	-\$0.50		
	<p>To what extent would you agree or disagree with Essential Energy increasing network charges for each customer by \$0.10 per quarter to complete the reliability improvements on areas with lower availability?</p> <p>1. Strongly agree 2. Agree 3. Neither agree or disagree 4. Disagree 5. Strongly disagree 6. Don't know</p>						
6.40- 7.00pm	<p><b>DINNER BREAK</b></p> <p>Videos on screen without volume for participants to look at during the dinner break.</p>						
7.00- 7.15pm	<p><b>Presentation: Cost reflective pricing</b></p> <ul style="list-style-type: none"> <li>Explain cost reflective pricing and the fact that EE need to move towards this. Cost reflective pricing principles (that it could mean less investment in the network and therefore lower bills)</li> <li>Show video explaining demand tariff</li> <li>Explain the following as components of cost-reflective pricing that EE can choose to implement or not based on feedback: <ul style="list-style-type: none"> <li>TOU</li> <li>increasing fixed price and reducing variable (only briefly because more detail in next presentation)</li> <li>demand tariff</li> <li>seasonal pricing</li> <li>locational pricing</li> </ul> </li> </ul>					EE	PP Slides
7.15- 7.40pm	<p><b>Table discussion: Cost reflective pricing</b></p>						HANDOUT 4: Definitions

	<ul style="list-style-type: none"> <li>What are your thoughts on cost reflective pricing in general? Cost reflective pricing is where prices reflect the <b>actual cost</b> of supplying electricity to that customer.</li> <li>What are the pros and cons of cost reflective pricing in general?</li> <li>What are the pros and cons of the specific options: GIVE OUT HANDOUT 4 <ul style="list-style-type: none"> <li>Time of Use – different prices for peak, off peak and shoulder times of the day</li> <li>seasonal pricing - prices that differ between winter and summer (higher prices) versus other times of the year.</li> <li>controlled load – prices for services which Essential Energy decides when they use electricity eg hot water.</li> <li>demand tariffs – prices set based on highest demand (spikes)</li> </ul> </li> <li>What are the principles that should be set around cost reflective pricing and which aspects to implement/not implement? I.e. how should decisions be made - if needed probe on aspects such as fairness, simplicity, support for vulnerable customers, degree of variability in bills, control by customer i.e. ability to reduce bills if wanted etc.</li> <li>On a flipchart write up the principles that should be set around it.</li> </ul> <p><i>A nominated spokesperson at each table is chosen to feedback their table's principles that should be set around cost reflective pricing.</i></p>		of different pricing mechanisms
7.40-7.50pm	<p><b>Table feedback: Cost-reflective pricing</b></p> <p>All tables present their principles around cost reflective pricing</p>		
7.50-8.00pm	<p><b>DESSERT – participants to bring back to tables</b></p>		
8.00-8.15pm	<p><b>Presentation: Fixed versus variable pricing</b></p> <ul style="list-style-type: none"> <li>Show different options for fixed versus variable pricing and how changes would impact different types of customers</li> </ul>	EE	PP Slides
8.15-8.35pm	<p><b>Table discussion: Pricing</b></p> <ul style="list-style-type: none"> <li>Recap that part of EE's cost is fixed (despite how much electricity you use) and the other part is variable (that is, it changes according to how much electricity you use). To help reduce the amount your bill goes up and down, and to be more cost reflective, EE could increase the fixed cost component and reduce the other components. Do you think the fixed</li> </ul>	WR Table Facilitators	HANDOUT 5: ON INCREASING FIXED COMPONENT



	<p>component of your bill should be increased or stay the same? Why?</p> <ul style="list-style-type: none"> <li>○ GIVE OUT HANDOUT 5: If increased, then how much by? Why?</li> <li>○ For Handout 5 probe on: How do these options match the principles your table came up with in the previous discussion session?</li> <li>• What are your views on the potential introduction of a demand component to residential customers? What are the pros and cons? (they will have touched on this in previous discussion but go into more detail here) <ul style="list-style-type: none"> <li>○ How would you like to see peak usage measured, i.e. e.g. average of 5 peaks in 12 months or one peak in 3 months?</li> </ul> </li> <li>• Would you consider moving to a pricing option that includes a demand component if your fixed and variable prices decreased? i.e. this comes down to would you be able to spread your usage out so that you don't use everything all at once? <ul style="list-style-type: none"> <li>○ What types of appliances or electricity usage would you be willing to shift to non-peak times?</li> </ul> </li> <li>• Would you support the introduction of new tools such as an app or web browser to assist in understanding your usage at a cost of \$0.20 per quarter? Why/why not? <ul style="list-style-type: none"> <li>○ What would you like to be able to understand in terms of usage?</li> </ul> </li> </ul>		
8.35-8.40pm	<p><b>Key Pad Voting</b></p> <p>Q: Which of the following options do you prefer? (single response)</p> <ol style="list-style-type: none"> <li>1. Increase fixed charge by \$5 per quarter</li> <li>2. Increase fixed charge by \$10 per quarter</li> <li>3. Increase fixed charge by \$15 per quarter</li> <li>4. Increase fixed charge by \$20 per quarter</li> <li>5. I would prefer the fixed charge to remain unchanged</li> <li>6. Don't know</li> </ol> <p>Q: Should Essential Energy introduce higher prices in winter and summer, and lower prices at other times of the year?</p> <ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> <li>3. Don't know</li> </ol> <p>Q. Would you consider moving to a pricing option that includes a demand charge at peak times if your fixed and variable prices decreased?</p> <ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> </ol>	WR Lead Facilitator	PP Slides and Keypads

	<p>3. Don't know</p> <p>Q. Would you support the introduction of new tools to assist in understanding your usage, at a cost of \$0.20 per quarter?</p> <p>1. Yes 2. No 3. Don't know</p>										
8.40-8.45pm	<p><b>Presentation: Supporting technology with pricing</b></p> <ul style="list-style-type: none"> <li>How pricing structures can make this fairer but influence the introduction of these technologies</li> <li>Specific Information on EV tariff</li> </ul>	EE	PP Slides								
8.45-8.55pm	<p><b>Key pad voting: Supporting technology</b></p> <p>Q. Do you think that Essential Energy should introduce a price specifically for Electric Vehicles to encourage customers to charge these vehicles at off-peak times?</p> <p>1. Yes 2. No 3. Don't know</p> <p>Q. If Essential Energy do introduce a price specifically for Electric Vehicles, which option do you prefer?</p> <table border="1"> <thead> <tr> <th>Price</th><th>Option 1: Anytime prices</th><th>Option 2: Time of Use and Demand pricing</th><th>Option 3: Controlled Load price</th></tr> </thead> <tbody> <tr> <td>Impact on Electric Vehicle costs</td><td>Customers charged at a standard variable rate with no ability to reduce costs by charging car at different times.</td><td>Customers can reduce charges if they charge their car in off-peak times.</td><td>Customers can connect the car to an outlet which only receives power overnight. Similar to some hot water systems.</td></tr> </tbody> </table> <p><i>Ian: And I'm just going to ask the same questions again as we did at the beginning to see if your views have changed at all:</i></p> <p>Q. How would you rate Essential Energy on the following, on a scale of 0-10 where 0 is very poor and 10 is excellent:</p> <p>Listening to customers</p> <p>0 1 2 3 4 5 6 7 8 9 10</p>	Price	Option 1: Anytime prices	Option 2: Time of Use and Demand pricing	Option 3: Controlled Load price	Impact on Electric Vehicle costs	Customers charged at a standard variable rate with no ability to reduce costs by charging car at different times.	Customers can reduce charges if they charge their car in off-peak times.	Customers can connect the car to an outlet which only receives power overnight. Similar to some hot water systems.	WR Lead Facilitator	PP Slides and Keypads
Price	Option 1: Anytime prices	Option 2: Time of Use and Demand pricing	Option 3: Controlled Load price								
Impact on Electric Vehicle costs	Customers charged at a standard variable rate with no ability to reduce costs by charging car at different times.	Customers can reduce charges if they charge their car in off-peak times.	Customers can connect the car to an outlet which only receives power overnight. Similar to some hot water systems.								

	<p>Has customers' interests at heart 0 1 2 3 4 5 6 7 8 9 10</p> <p>Open and honest 0 1 2 3 4 5 6 7 8 9 10</p> <p>Educating customers on the electricity network 0 1 2 3 4 5 6 7 8 9 10</p> <p>How would you rate your overall attitude to Essential Energy on a scale of 0-10 where 0 is very negative and 10 is very positive? 0 1 2 3 4 5 6 7 8 9 10</p> <p>Q Currently 36% of a customer's bill is for distribution of electricity. How would you rate this in terms of value for money?</p> <p>1. Very good value for money 2. Quite good value for money 3. Undecided 4. Quite poor value for money 5. Very poor value for money</p>		
8.55-9.00pm	<p><b>Summing up, thank you</b></p> <ul style="list-style-type: none"> <li>Essential Energy closing remarks – what Essential Energy will take from today and confirmation of next steps.</li> </ul>	EE	
9.00pm	<p><b>CLOSE</b></p> <p>Woolcott Research Lead Facilitator – thanks and reminder to fill in end of session questionnaire on tables</p>	WR All	<p>End of session q</p> <p>Incentives and signing sheet</p>

## 6.4 End of session feedback

The following data was collected from participants anonymously at the end of each forum.

EE End of Session Survey September 2017									
		Total	Location						
		Total	Goulburn	Cootamundra	Wagga Wagga	Broken Hill	Port Macquarie	Tamworth	Dubbo
Base		512	77	81	75	53	75	78	73
I enjoyed taking part in the session	Strongly Agree	58%	58%	63%	53%	74%	55%	44%	63%
	Agree	295	45	50	40	39	41	34	46
	Agree	40%	38%	38%	44%	26%	41%	53%	36%
		204	29	30	33	14	31	41	26
	Neither agree or disagree	2%	4%	0%	1%	0%	1%	4%	1%
		9	3	0	1	0	1	3	1
	Disagree	0%	0%	0%	0%	0%	3%	0%	0%
		2	0	0	0	0	2	0	0
	Strongly Disagree	0%	0%	0%	1%	0%	0%	0%	0%
		1	0	0	1	0	0	0	0
Total		511	77	80	75	53	75	78	73
		100%	100%	100%	100%	100%	100%	100%	100%

EE End of Session Survey September 2017									
		Total	Location						
		Total	Goulburn	Cootamundra	Wagga Wagga	Broken Hill	Port Macquarie	Tamworth	Dubbo
Base	Base	512	77	81	75	53	75	78	73
It was informative and I feel I have learned a lot	Strongly Agree	49%	45%	53%	51%	64%	39%	36%	59%
	Agree	250	35	43	38	34	29	28	43
	Agree	46%	51%	42%	43%	28%	55%	58%	38%
		234	39	34	32	15	41	45	28
	Neither agree or disagree	5%	4%	5%	5%	8%	5%	6%	3%
		26	3	4	4	4	4	5	2
	Disagree	0%	0%	0%	0%	0%	1%	0%	0%
		1	0	0	0	0	1	0	0
	Strongly Disagree	0%	0%	0%	1%	0%	0%	0%	0%
		1	0	0	1	0	0	0	0
Total		512	77	81	75	53	75	78	73
		100%	100%	100%	100%	100%	100%	100%	100%

### EE End of Session Survey September 2017

		Total	Location						
		Total	Goulburn	Cootamundra	Wagga Wagga	Broken Hill	Port Macquarie	Tamworth	Dubbo
Base	Base	512	77	81	75	53	75	78	73
The session was well organised and structured	Strongly Agree	63%	64%	61%	68%	74%	63%	58%	60%
	Agree	324	49	49	51	39	47	45	44
	Agree	35%	34%	38%	31%	26%	36%	41%	37%
	Neither agree or disagree	179	26	30	23	14	27	32	27
	Disagree	1%	3%	1%	1%	0%	1%	1%	1%
	Disagree	7	2	1	1	0	1	1	1
	Strongly Disagree	0%	0%	0%	0%	0%	0%	0%	1%
	Strongly Disagree	1	0	0	0	0	0	0	1
	Total	511	77	80	75	53	75	78	73
		100%	100%	100%	100%	100%	100%	100%	100%

### EE End of Session Survey September 2017

		Total	Location						
		Total	Goulburn	Cootamundra	Wagga Wagga	Broken Hill	Port Macquarie	Tamworth	Dubbo
Base	Base	512	77	81	75	53	75	78	73
I was able to provide my views and contribute during the session	Strongly Agree	57%	58%	57%	57%	62%	53%	54%	62%
	Agree	294	45	46	43	33	40	42	45
	Agree	39%	40%	41%	39%	38%	41%	40%	37%
	Neither agree or disagree	202	31	33	29	20	31	31	27
	Disagree	3%	1%	2%	4%	0%	4%	5%	1%
	Disagree	14	1	2	3	0	3	4	1
	Strongly Disagree	0%	0%	0%	0%	0%	1%	0%	0%
	Strongly Disagree	1	0	0	0	0	1	0	0
	Don't Know	0%	0%	0%	0%	0%	0%	1%	0%
	Don't Know	1	0	0	0	0	0	1	0
	Total	512	77	81	75	53	75	78	73
	Total	57%	58%	57%	57%	62%	53%	54%	62%
	Total	294	45	46	43	33	40	42	45
		100%	100%	100%	100%	100%	100%	100%	100%

### EE End of Session Survey September 2017

		Total	Location						
		Total	Goulburn	Cootamundra	Wagga Wagga	Broken Hill	Port Macquarie	Tamworth	Dubbo
Base	Base	512	77	81	75	53	75	78	73
I think Essential Energy will act on the information from this session	Strongly Agree	34%	36%	44%	29%	30%	27%	24%	45%
	Agree	174	28	36	22	16	20	19	33
		49%	53%	43%	49%	57%	44%	55%	44%
		251	41	35	37	30	33	43	32
	Neither agree or disagree	13%	8%	9%	15%	11%	23%	15%	8%
		65	6	7	11	6	17	12	6
	Disagree	2%	1%	1%	3%	2%	1%	3%	1%
		9	1	1	2	1	1	2	1
	Strongly Disagree	0%	0%	0%	0%	0%	1%	1%	0%
		2	0	0	0	0	1	1	0
	Don't Know	2%	1%	2%	4%	0%	4%	1%	1%
		11	1	2	3	0	3	1	1
	Total	512	77	81	75	53	75	78	73
		100%	100%	100%	100%	100%	100%	100%	100%

### EE End of Session Survey September 2017

		Total	Location						
		Total	Goulburn	Cootamundra	Wagga Wagga	Broken Hill	Port Macquarie	Tamworth	Dubbo
Base	Base	512	77	81	75	53	75	78	73
I think events like this are a good way of consulting the public about issues	Strongly Agree	67%	68%	68%	69%	70%	64%	62%	69%
	Agree	341	52	55	52	37	47	48	50
		32%	29%	32%	29%	30%	36%	37%	29%
		163	22	26	22	16	27	29	21
	Neither agree or disagree	1%	4%	0%	1%	0%	0%	1%	0%
		5	3	0	1	0	0	1	0
	Disagree	0%	0%	0%	0%	0%	0%	0%	1%
		1	0	0	0	0	0	0	1
	Total	510	77	81	75	53	74	78	72
		100%	100%	100%	100%	100%	100%	100%	100%