

TASNETWORKS CUSTOMER ENGAGEMENT

May 2017

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BACKGROUND



As part of TasNetworks' customer engagement /feedback programme, research is undertaken annually to understand customers better and provide insight to identify ways of working better for Tasmanian residents. The wider program involves increasing familiarisation with end consumers across the business, undertaking engagement activities/communications and feeding back the results of these activities to the customers themselves.

This research piece aims to build on current understanding within the business about the needs and attitudes of consumers, so that the services that TasNetworks provides can be planned and delivered with the long-term interests of consumers in mind.

The ultimate aim of this research is to help ensure that the business is well placed to plan future services taking into account consumer feedback on aspects such as price, quality, safety, reliability and security of supply.

OBJECTIVES



Help continue to grow knowledge within the business of customer needs, attitudes and preferences.



Provide a mechanism for customer feedback to reach the business, so that this information can be used to inform future business strategy. This should be done in a way that makes the available feedback channels clear and available to all customers.



Make the research results available to customers, including actions being taken by the business in light of the findings.



Provide the ability to monitor key customer engagement metrics over time, which the aim of demonstrating progress on this front.

METHODOLOGY & SAMPLE – QUANTITATIVE RESEARCH

TELEPHONE & ONLINE

A 10 minute telephone and online survey speaking to Tasmanians. Additional sample collected from EcoFest, AgFest and via the TasNetworks website.



WHO

n=1482
Tasmanian household energy decision makers

SAMPLE SIZE

We spoke to a total sample of n=1482

- n=300 online surveys were conducted
- n=702 telephone interviews
- n=63 collected in total from EcoFest 2017
- n=417 collected in total from AgFest 2017

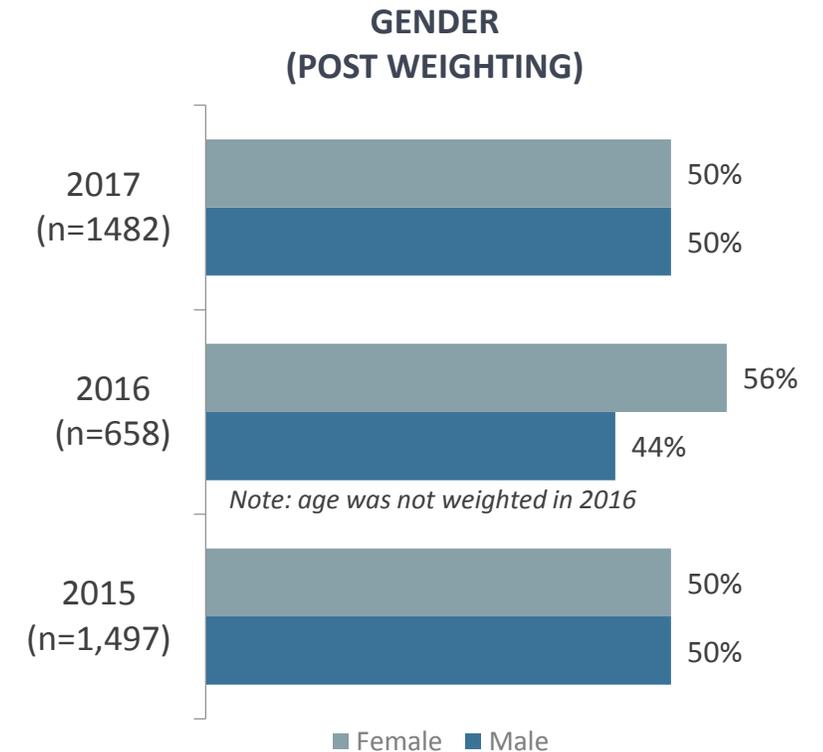
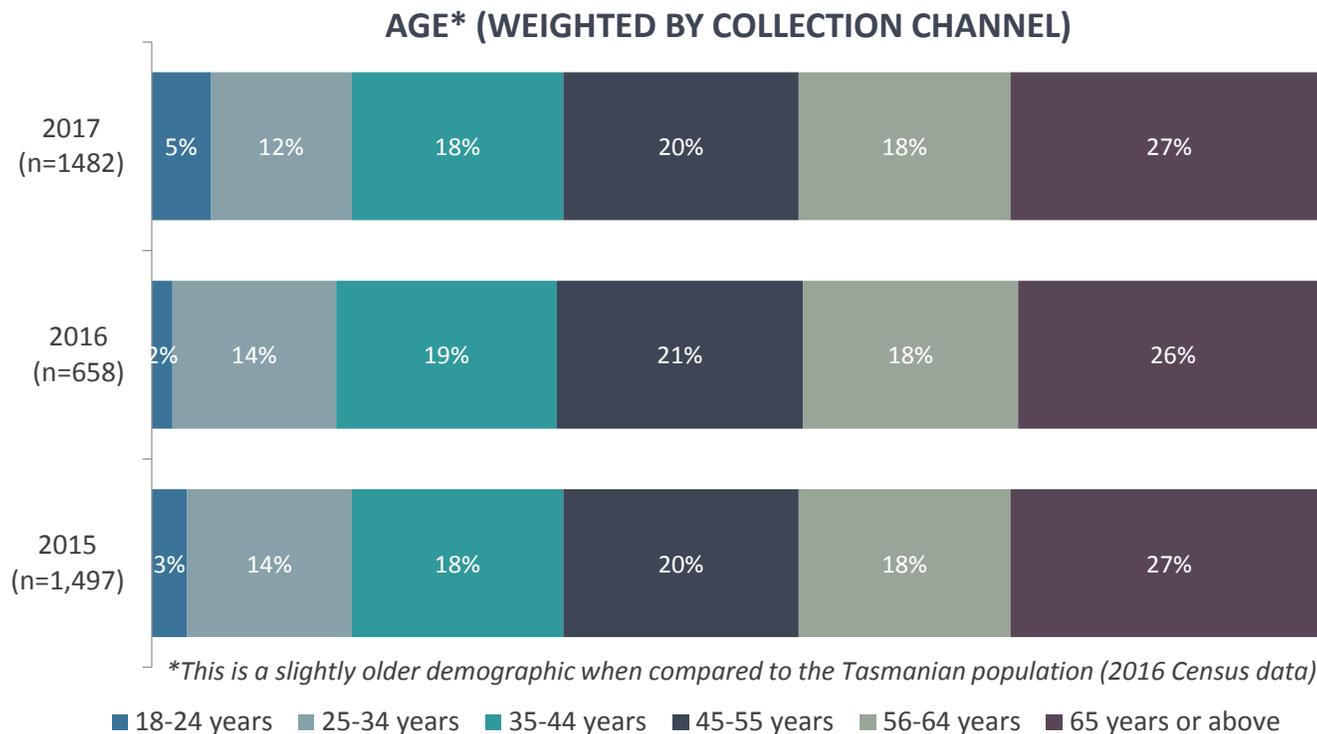


FIELDWORK

Surveys were conducted between
5th May – 21st May 2017
EcoFest 8th April 2017
AgFest 6/7th May 2017

CONSISTENT WEIGHTING FOR AGE HAS BEEN APPLIED TO ALL DATA TO REMOVE BIAS YEAR ON YEAR.

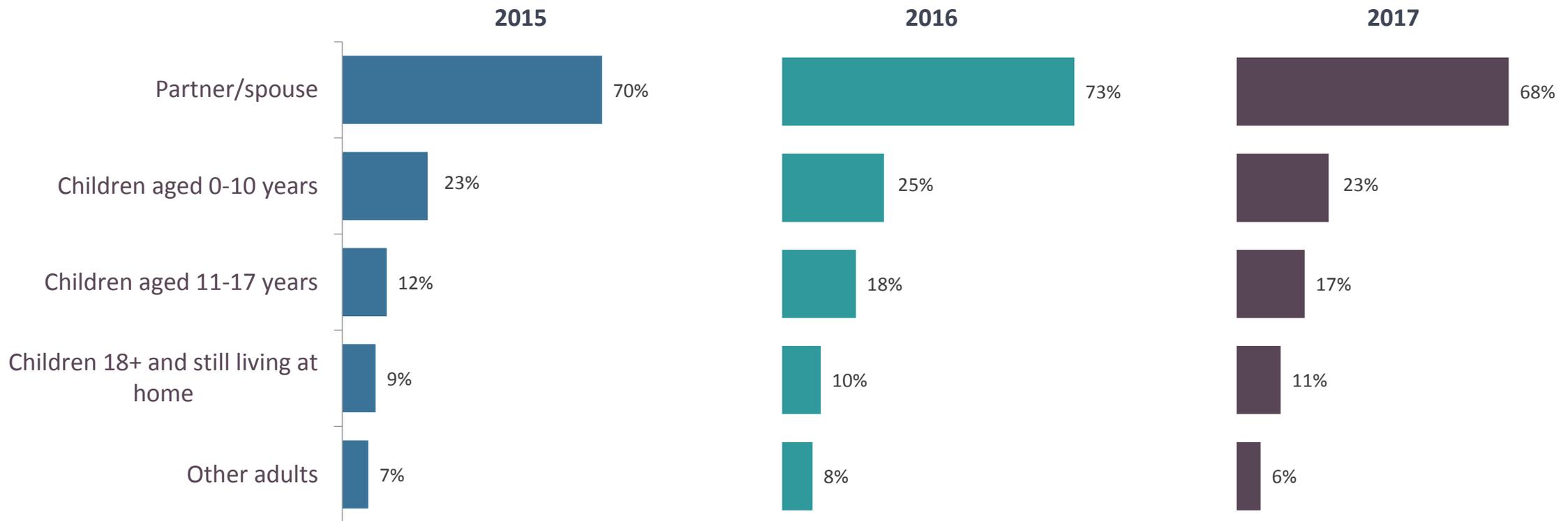
DEMOGRAPHICS – weighted by Age & Gender in 2017



Note: AgFest & EcoFest respondents are included in total sample results each year, weighted individually then combined.

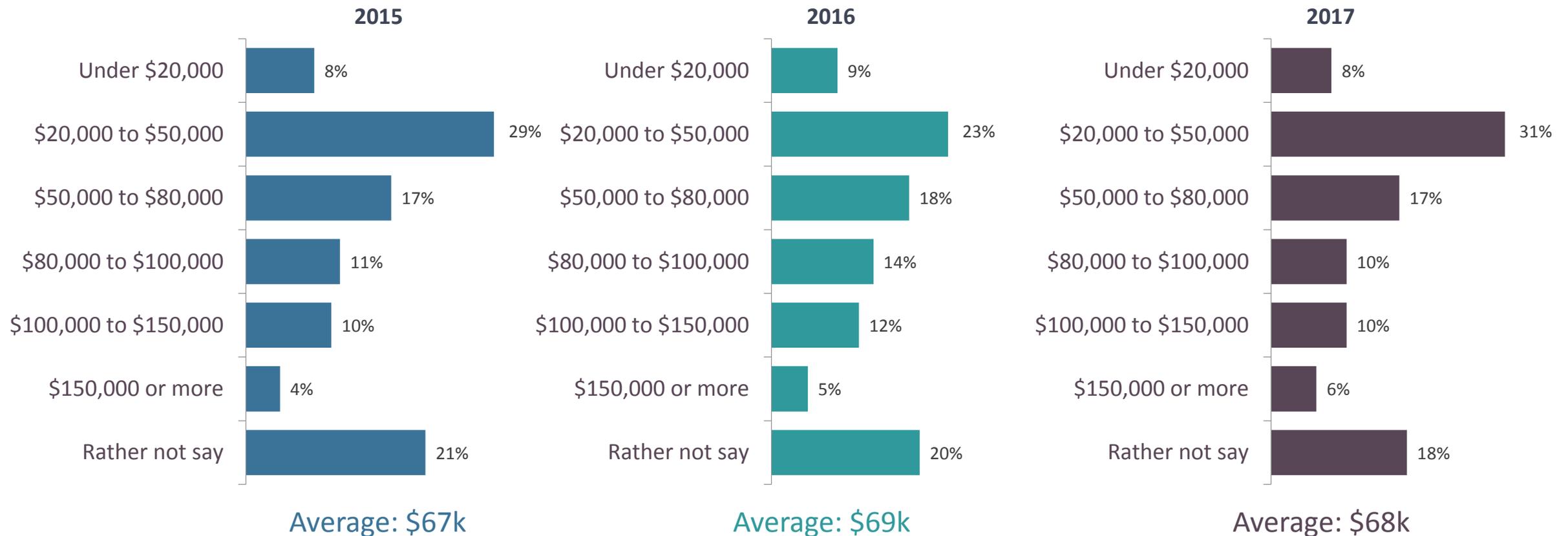
THE HOUSEHOLD STRUCTURE OF THE SAMPLE HAS REMAINED BROADLY SIMILAR OVER THE YEARS.

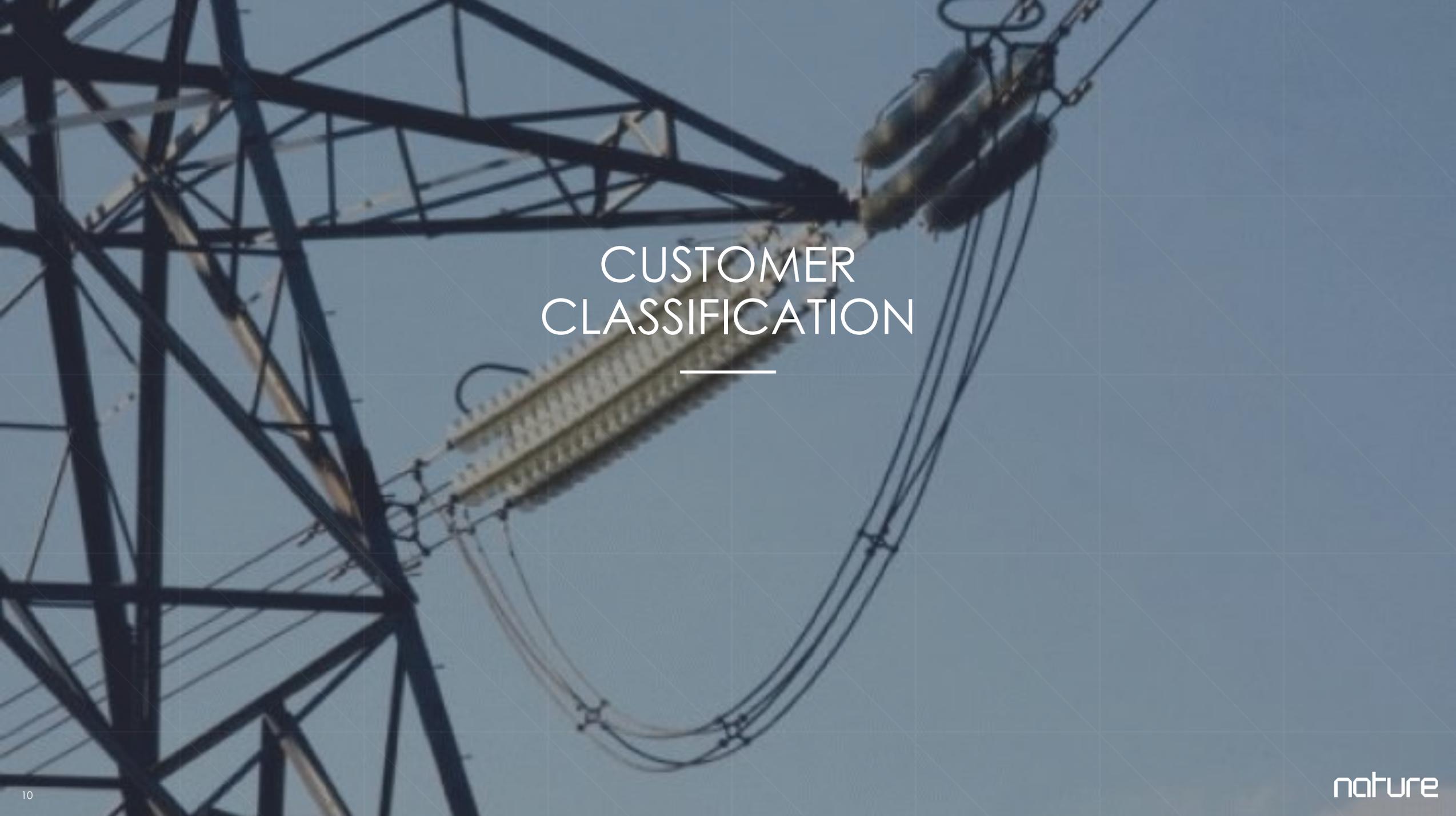
HOUSEHOLD STRUCTURE



ALTHOUGH SEEING SLIGHTLY MORE TASMANIANS SURVEYED EARNED BETWEEN \$20-50K THIS YEAR, AVERAGE INCOME HAS REMAINED STABLE OVER TIME.

HOUSEHOLD INCOME

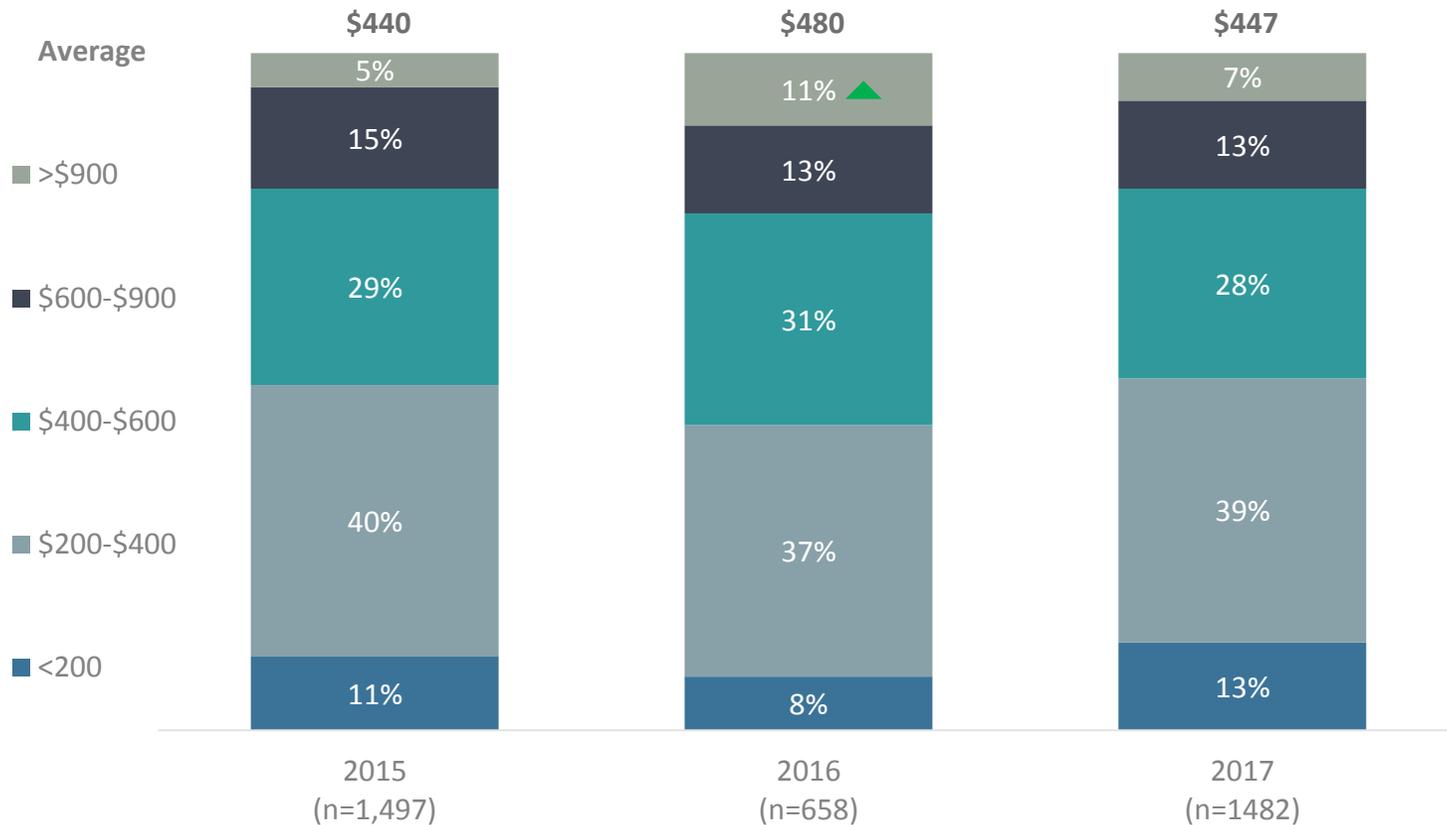




CUSTOMER CLASSIFICATION

THE PERCEIVED AVERAGE QUARTERLY BILL HAS RETURNED TO A LOWER PRICE THIS YEAR AFTER SPIKING IN 2016.

QUARTERLY ELECTRICITY BILL



2017 Subgroups differences (average \$)

Subgroup	Sig. difference to total sample	Comparison to 2016
Aged 65+	\$334 ▼	\$383
Kids at home	\$540 ▲	\$562
Low Income (<\$50k)	\$348 ▼	\$392
Business	\$819 ▲	\$800
Concession	\$345 ▼	\$382

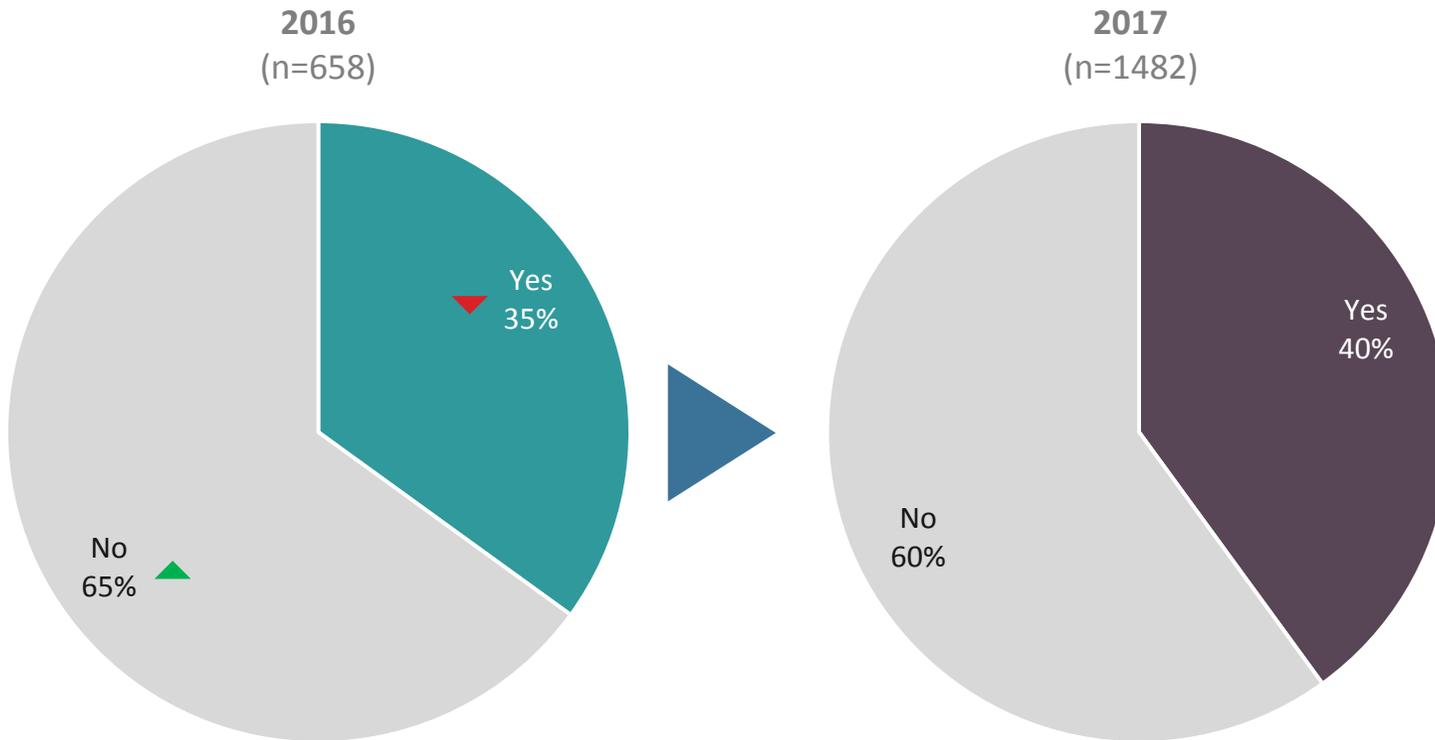
Q3. What is your average quarterly electricity bill? (if you can't recall, please estimate).

▲ ▼ Sig. difference at 95% confidence to total

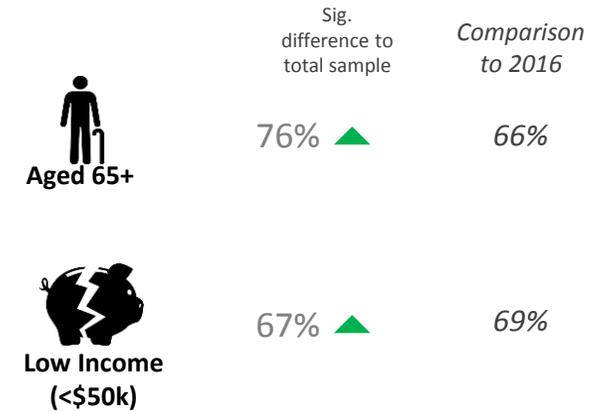
THE PROPORTION OF TASMANIANS SURVEYED RECEIVING A CONCESSION APPEARS TO HAVE INCREASED SLIGHTLY TO 4 IN 10.

RECEIVE BILL CONCESSION

2015: 41%



2017 Subgroups differences



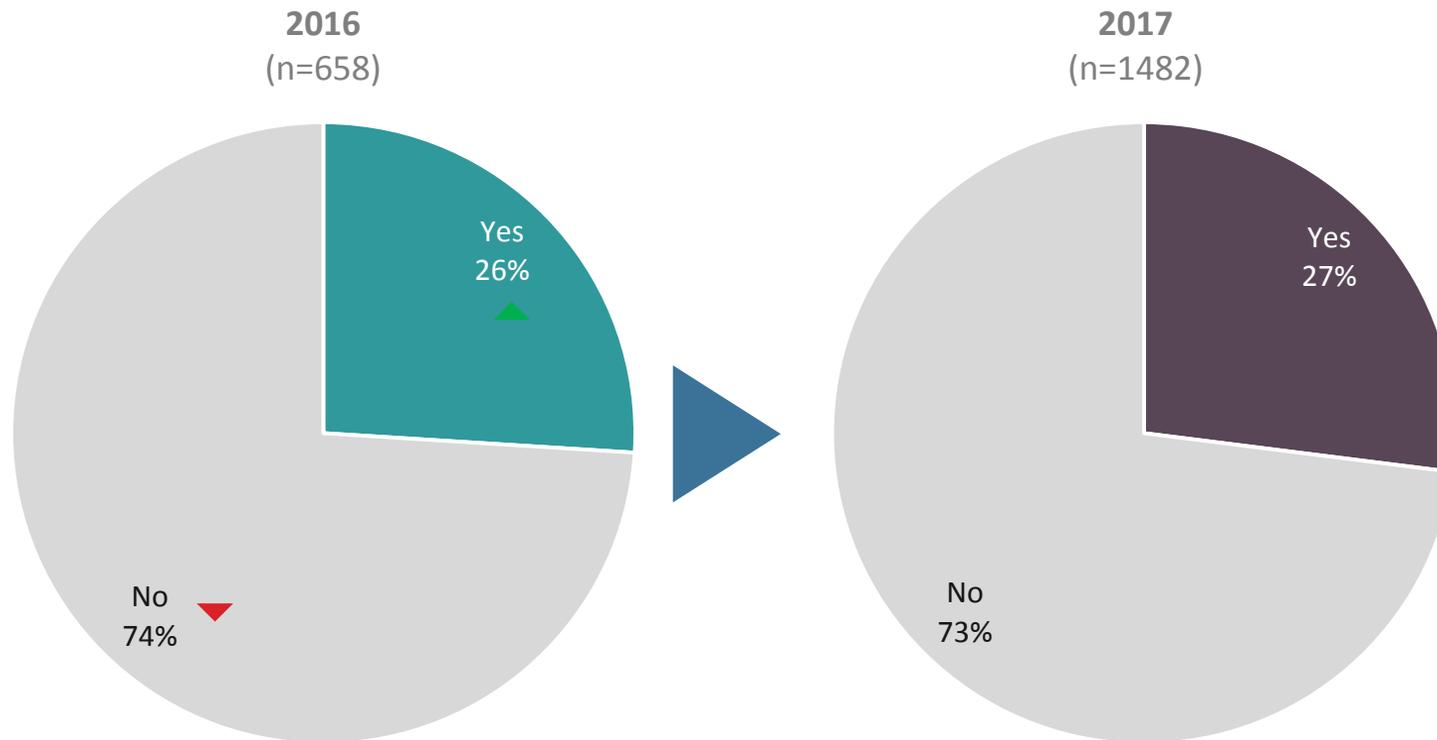
3 in 4 Pensioners are currently receiving a concession on their electricity bill.

THE NUMBER OF TASMANIANS SURVEYED CLAIMING TO HAVE EMBEDDED GENERATION INSTALLED HAS REMAINED STABLE YEAR ON YEAR.

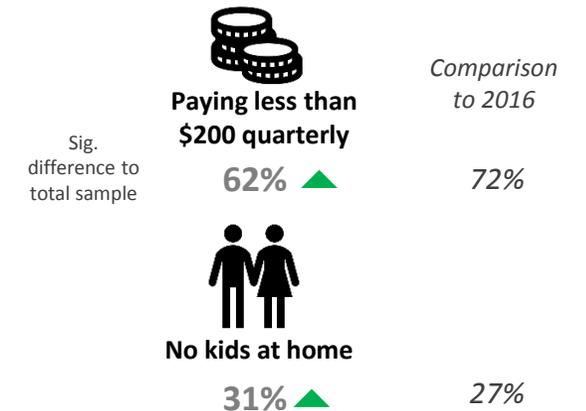
- However the surveyed sample is disproportionate to the Tasmanian population, with only 14% of Tasmanians currently utilising this service in reality.

EMBEDDED GENERATION INSTALLED

2015: 21%



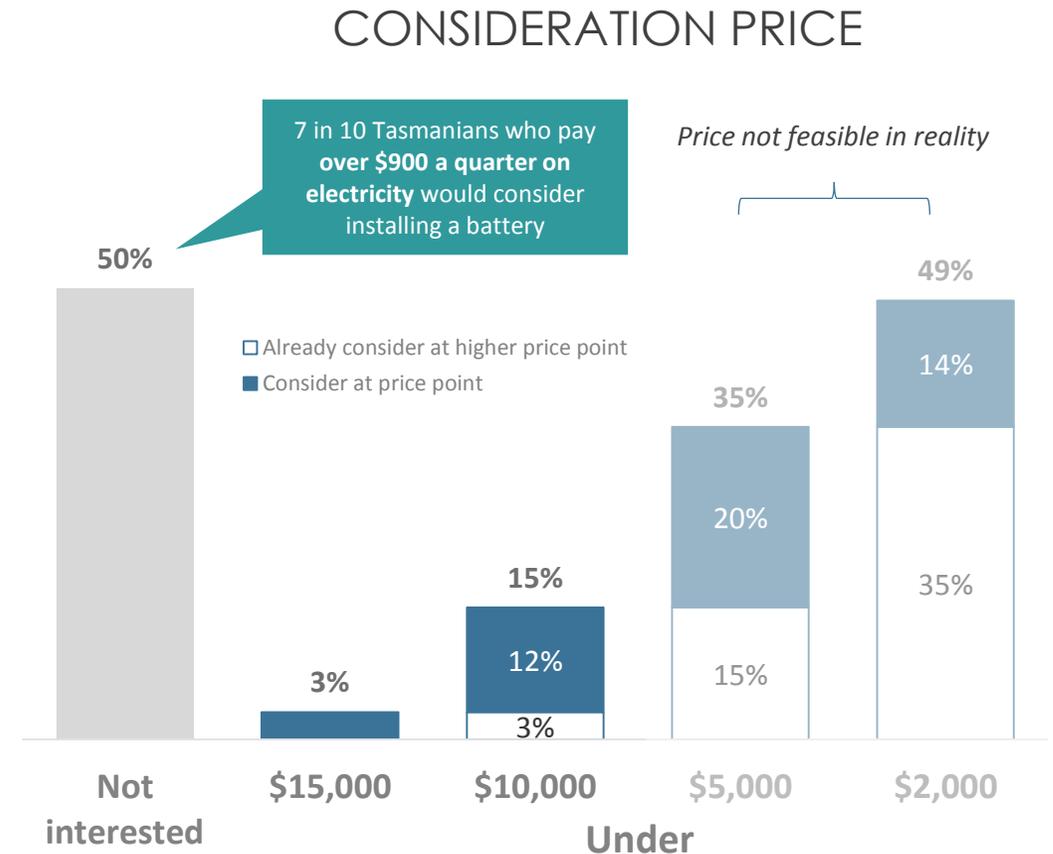
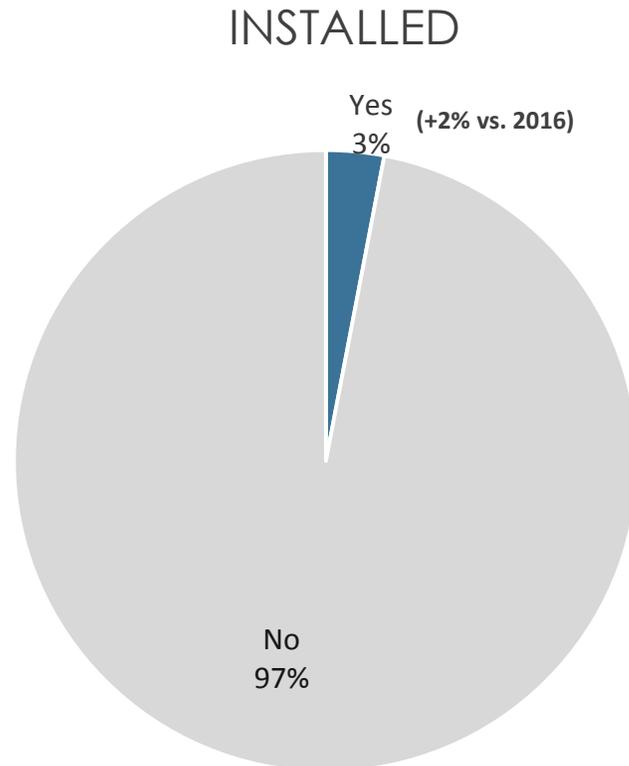
2016 vs 2017 Subgroups changes (% 'yes')



Residents who are paying less than \$200 on their electricity bills quarterly are more likely to have embedded generation installed, although this has declined since 2016.

WHILE ONLY 3% OF SURVEYED RESIDENTS ARE CURRENTLY USING BATTERY SYSTEMS, ROUGHLY 1 IN 7 WOULD CONSIDER INSTALLING ONE IF IT WERE BETWEEN \$10-15K.

BATTERY SYSTEMS (RESIDENTIAL)



Q5. Do you have a battery system installed in your home or business? Base: All 2017 respondents (n=1482)

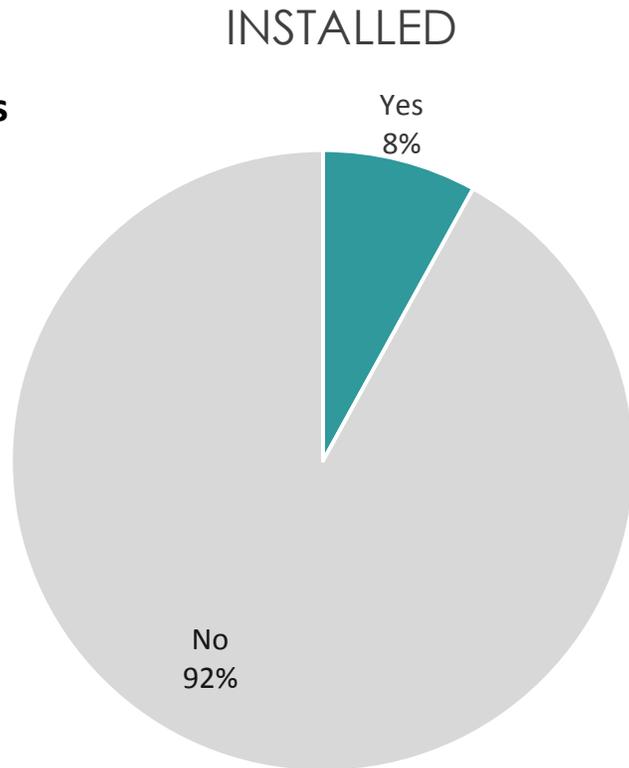
14 Q6. At which price point would you consider installing a battery system? Base: All 2017 respondents without a battery system (n=1447)

▲▼ Sig. difference at 95% confidence

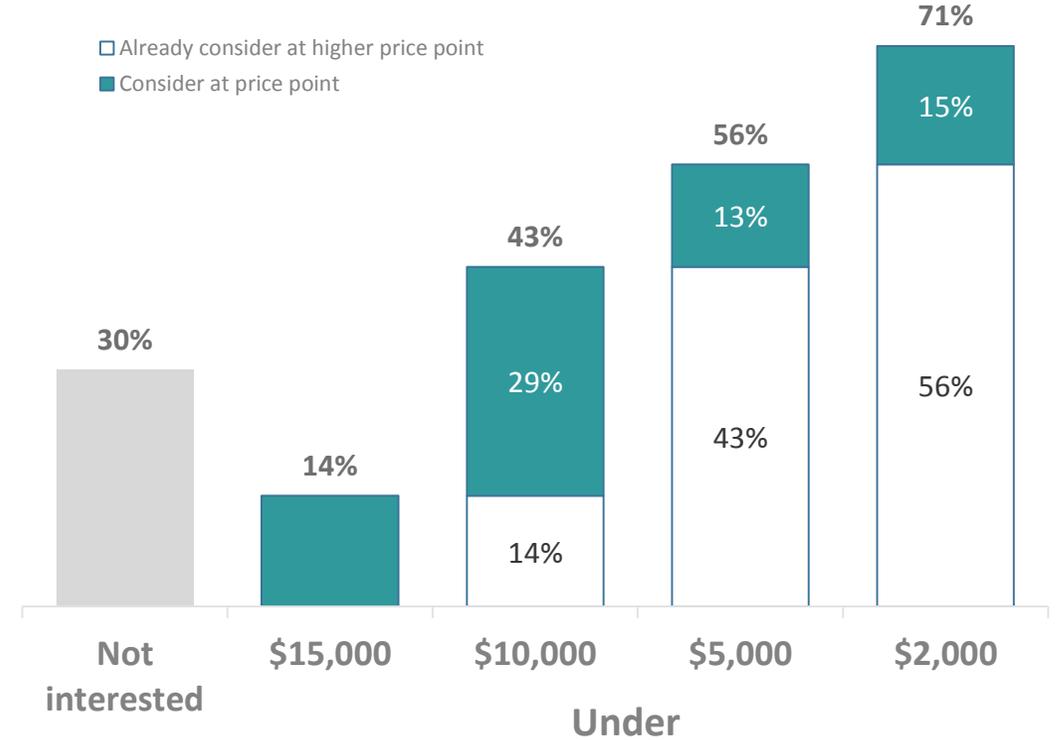
BUSINESS CUSTOMERS SURVEYED ARE MORE LIKELY TO HAVE A BATTERY SYSTEM INSTALLED AND 7 IN 10 WOULD CONSIDER INSTALLING ONE UNDER THE PRICE OF \$2,000.



BATTERY SYSTEMS (BUSINESS)



CONSIDERATION PRICE



Q5. Do you have a battery system installed in your home or business? Base: All 2017 business respondents (n=73)

15 Q6. At which price point would you consider installing a battery system? Base: All 2017 business respondents without a battery system (n=69)

▲▼ Sig. difference at 95% confidence

EXECUTIVE SUMMARY – CUSTOMER CLASSIFICATION



PERCEIVED QUARTERLY BILLS HAVE FALLEN

The average quarterly residential bill is perceived to be lower this year, driven by older (65+) Tasmanians surveyed, those who are receiving a concession and/or have a lower annual income.

In contrast, businesses claim to be paying slightly more per quarter on electricity, now at \$819 on average.



MORE CONCESSIONS RECEIVED

A higher number of elderly (65+) Tasmanians surveyed claim they are receiving a concession this year, now with 3 in 4 receiving this benefit. This is a likely cause for the lower average quarterly bill in 2017.

The average bill for Tasmanians surveyed with a concession is \$345 per quarter- \$102 less than those without this benefit.



INTEREST IN BATTERY SYSTEMS

The use of embedded generation and battery systems in-home have remained stable this year for residential customers.

However, roughly 1 in 7 Tasmanians surveyed would consider installing a battery system in the future if it only cost them between \$10-15k to do so.



CURRENT SERVICE RELIABILITY, RESPONSE AND PRICING

BEFORE BEING ASKED QUESTIONS ABOUT SERVICE RELIABILITY, RESPONSE AND PRICING, RESPONDENTS WERE SHOWN THE FOLLOWING STATEMENT:

TasNetworks provides a range of services, including the following:

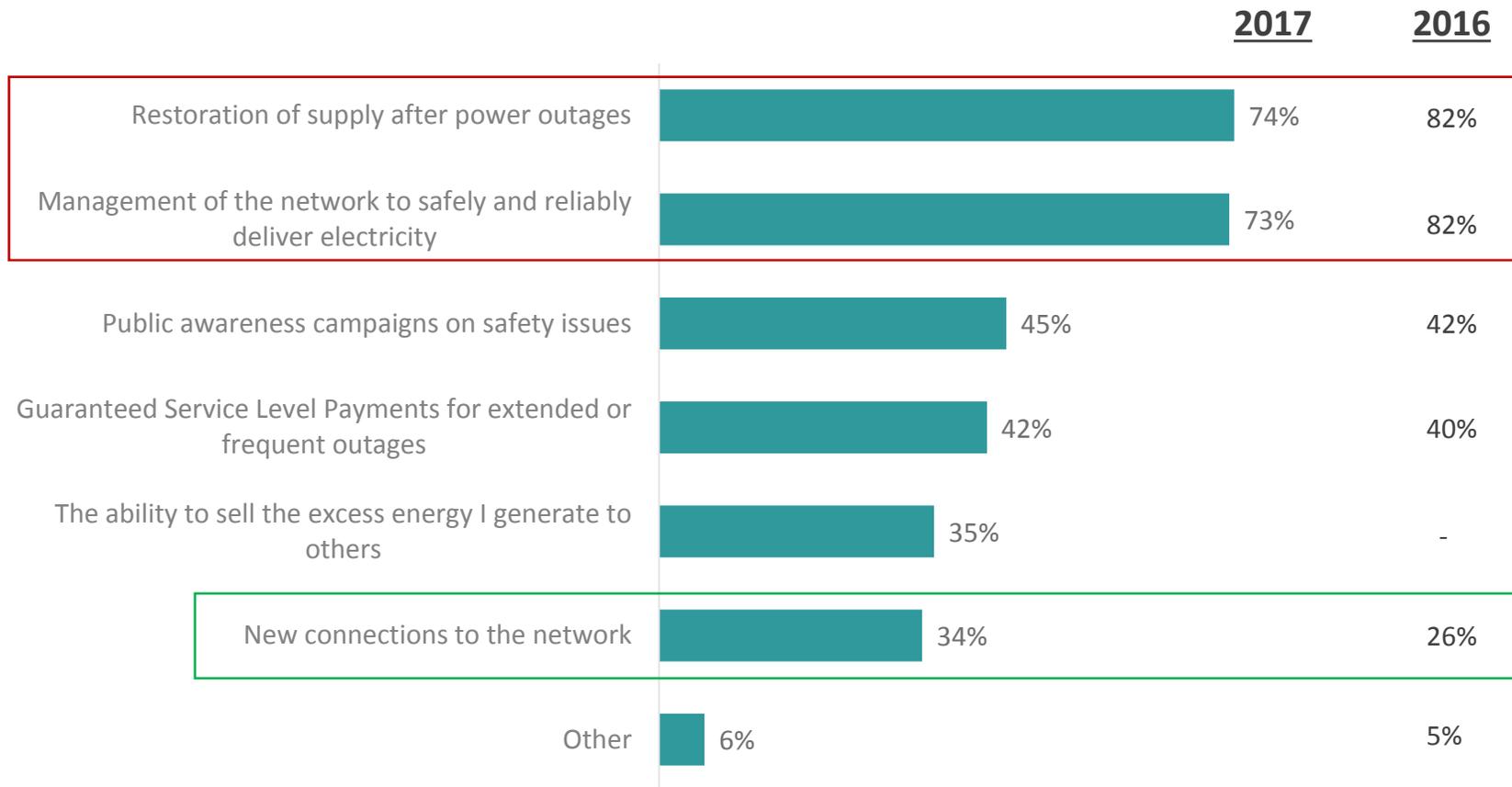
- *Management of the network to provide safe and reliable supply of electricity;*
 - *Restoration of supply to customers after power outages;*
 - *New connections to the electricity network; and*
 - *Public awareness campaigns on safety issues.*

TasNetworks' charges for network services make up approximately 60% of the total electricity bill that you receive from your energy retailer.

These charges equate to approximately \$250 per quarter (for total retail bill of around \$420) for a typical residential customer.

THERE HAS BEEN A SOFTENING IN THE VALUE OF TASNETWORKS' CORE SERVICES (DELIVERY & RESTORATION OF SUPPLY) THIS YEAR.

VALUED TASNETWORKS' SERVICES



2017 Subgroup differences

Public awareness campaigns

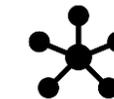


18-34 years old

Sig. difference to total sample
69% ▲

Comparison to 2016
41%

Management of the network



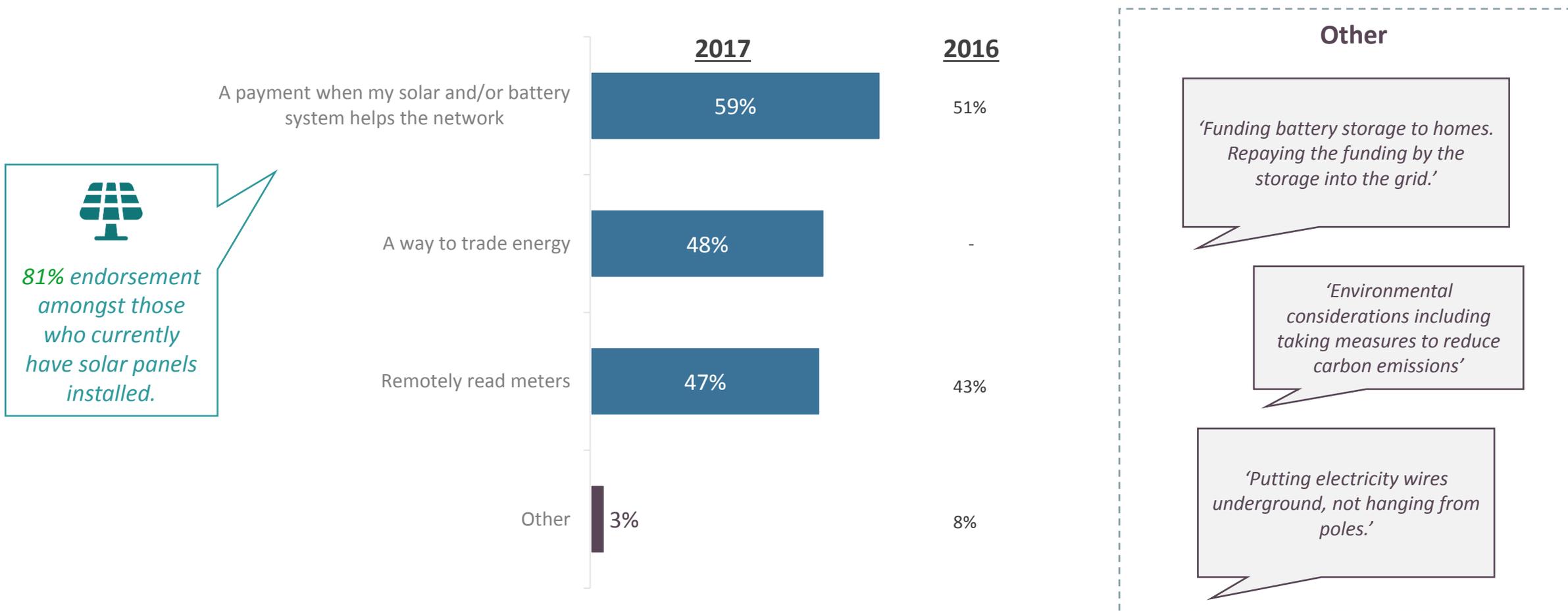
35-44 years old

Sig. difference to total sample
63% ▼

Comparison to 2016
84%

INCREASING SLIGHTLY YEAR ON YEAR, NOW 6 IN 10 TASMANIANS SURVEYED WOULD LIKE TASNETWORKS TO OFFER A PAYMENT TO SUPPORT THE NETWORK.

WHAT OTHER SERVICES WOULD YOU LIKE TASNETWORKS TO OFFER



Q9a. What other services would you like TasNetworks to offer? (Select all that apply)

THE MAJORITY OF CUSTOMERS ARE INTERESTED IN SOLAR PAYMENTS, FEELING IT WILL ENCOURAGE FUTURE SOLAR USE.

ARGUMENTS FOR/AGAINST POTENTIAL TASNETWORKS OFFERS

Amongst customers who are:



Interested



Not Interested

A payment when my solar/battery system helps the network	Remotely read meters	A way to trade energy
<p style="text-align: right;">59% LIKE</p> <p><i>'I think that the electricity fed back into the network should be paid at the same rate as what it is used'</i></p> <p><i>'It's a good incentive to encourage people to use solar power.'</i></p> <p><i>'A rebate or money off the bill would help me to afford other ones'</i></p>	<p style="text-align: right;">48% LIKE</p> <p><i>'It would save a lot of manpower. It would mean the bills would come out quicker and easier to keep track of.'</i></p> <p><i>'Then the meter reader doesn't have to enter my property because I have dogs'</i></p> <p><i>'If it was cheaper that'd be good'</i></p>	<p style="text-align: right;">47% LIKE</p> <p><i>'It gives you another option, it sounds interesting, I would look into it more.'</i></p> <p><i>'It gives me the ability to generate income.'</i></p> <p><i>'If it's going to save me money then I'd be able to put that saving towards other bills'</i></p> <p><i>'I'm always prepared to listen to a concept as I'm unsure of what they are actually offering.'</i></p>
<p><i>'Do not have solar panels.'</i></p> <p><i>'It's just a different way to deliver power & I'm just too old & not interested.'</i></p> <p><i>'Because I'm not interested in getting solar power or batteries.'</i></p> <p><i>'I don't think it applies to me because I'm happy the way it is & I don't want to change.'</i></p>	<p><i>'Too much chance of error'</i></p> <p><i>'Don't remotely read metres - no trust for accuracy.'</i></p> <p><i>'They did the same thing with the water metre and the cost has gone up very quickly.'</i></p> <p><i>'I don't really like the thought of remotely read metres because I have no control of my power usage and that's not very helpful.'</i></p>	<p><i>'We don't make enough off my solar panels.'</i></p> <p><i>'As soon as you start to trade energy the people with the money can buy & sell it easily but poorer people can't.'</i></p> <p><i>'I don't know that I'd have enough to spare.'</i></p> <p><i>'Maybe if I was living in my own home but because I rent I'm not really interested.'</i></p>

Q9a. How interested would you be if TasNetworks were to offer the following: 9b. Please provide a reason for your answer.

RESPONDENTS WERE THEN SHOWN THE FOLLOWING:

TasNetworks Reliability:

TasNetworks is required to ensure that the Tasmanian electricity network performs at an acceptable level of service

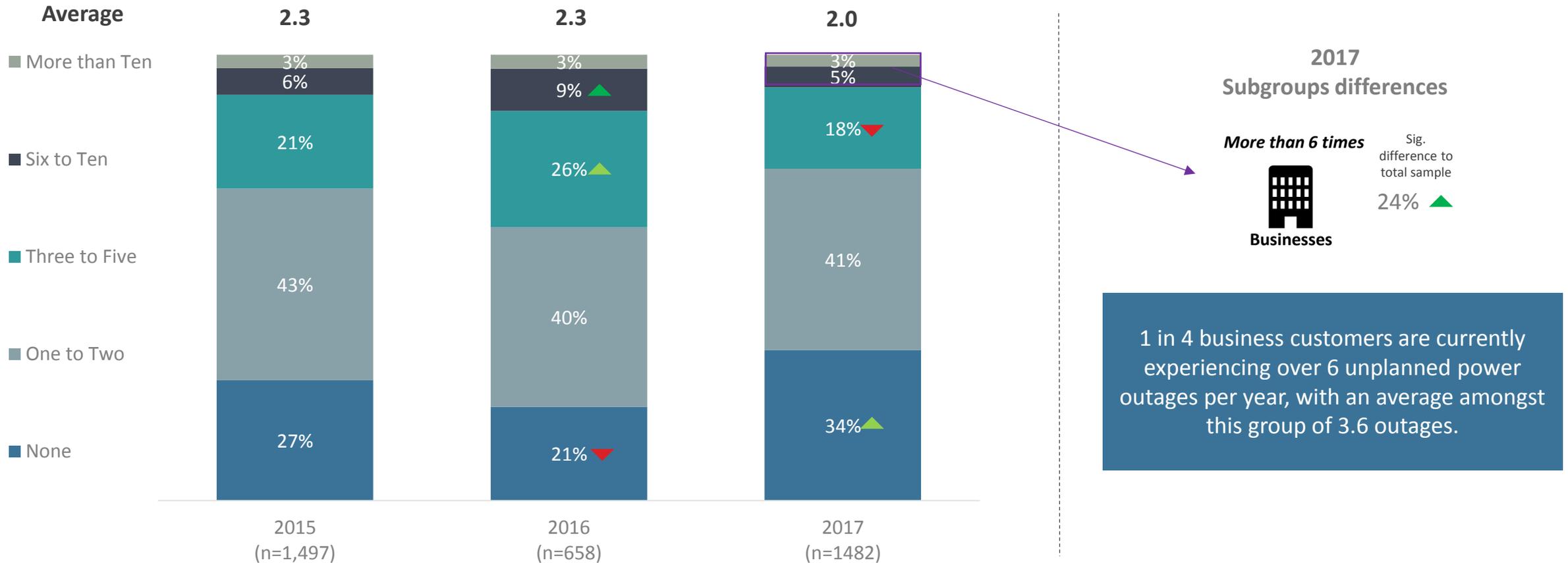
The established service performance targets have been set independently to ensure that the number and duration of outages experienced by Tasmanian customers remains in line with average historical performance.

Approximately one in three customers currently experience reliability service that is below these independent targets.

When performance measures are not achieved, TasNetworks provides affected customers with a Guaranteed Service Level payment.

WE HAVE SEEN A DECLINE IN THE OVERALL NUMBER OF UNPLANNED POWER OUTAGES THIS YEAR, WITH 1 IN 3 RESIDENTS EXPERIENCING NONE AT ALL.

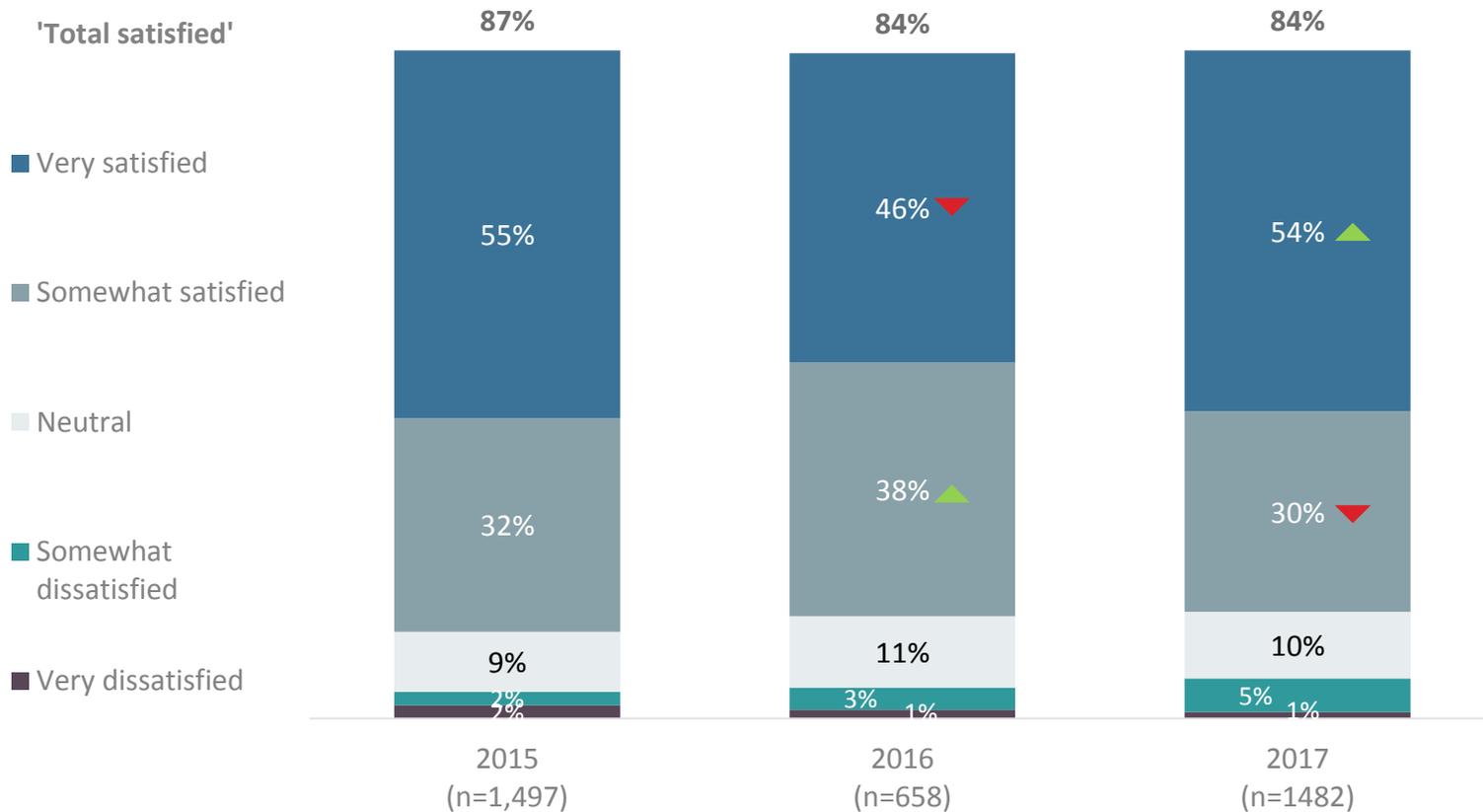
NUMBER OF UNPLANNED POWER OUTAGES



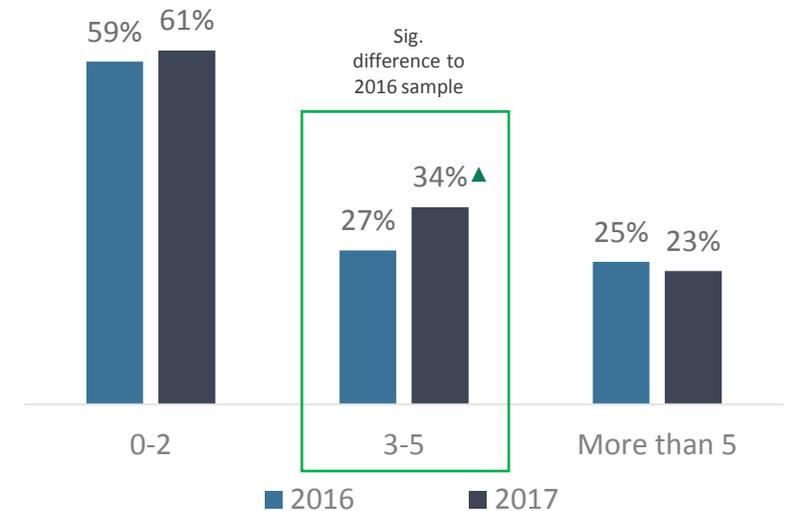
Q10. Over the past 12 months how many unplanned outages have you experienced? (if you can't recall, please estimate)

WHILE OVERALL SATISFACTION WITH RELIABILITY REMAINS HIGH AND STABLE THIS YEAR, MORE RESIDENTS CONSIDER THIS 'VERY SATISFACTORY'.

OVERALL SATISFACTION RELIABILITY



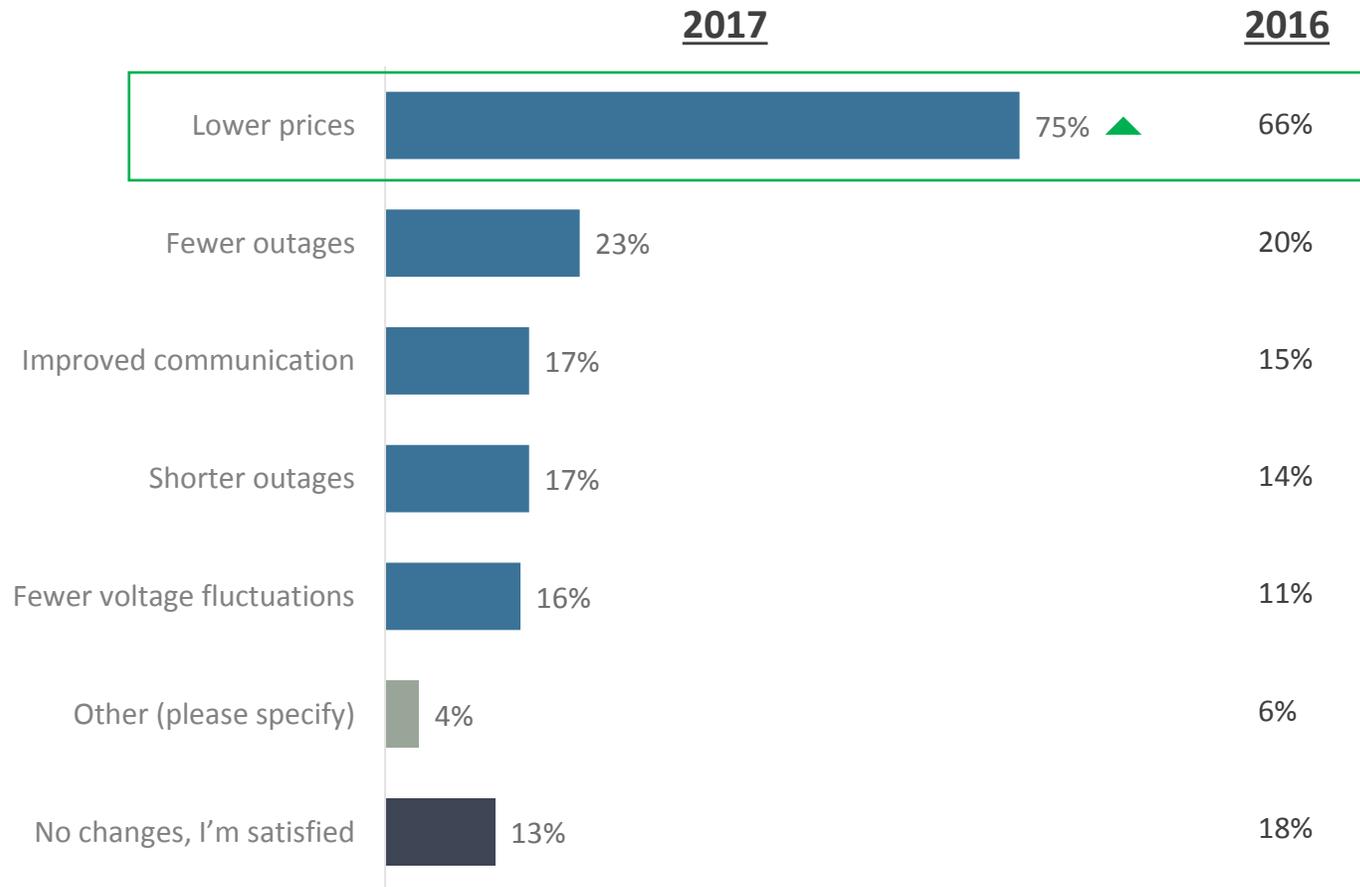
2016 v 2017 – Satisfaction by Outages (% very satisfied)



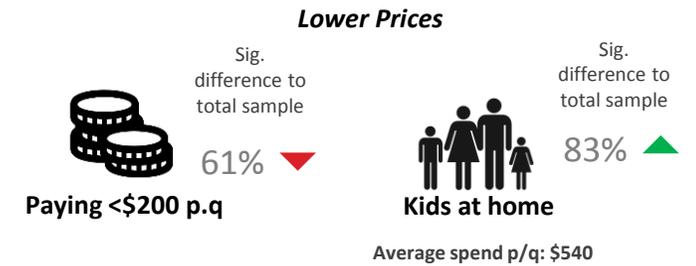
There has been an increase in the number of residents who are 'very satisfied', even when experiencing between 3-5 unplanned power outages per year.

3 IN 4 RESIDENTS FEEL THAT LOWER PRICING WOULD GENERATE HIGHER SATISFACTION WITH TASN NETWORKS.

WHICH OPTION WOULD IMPROVE YOUR SATISFACTION



2017 Subgroups differences



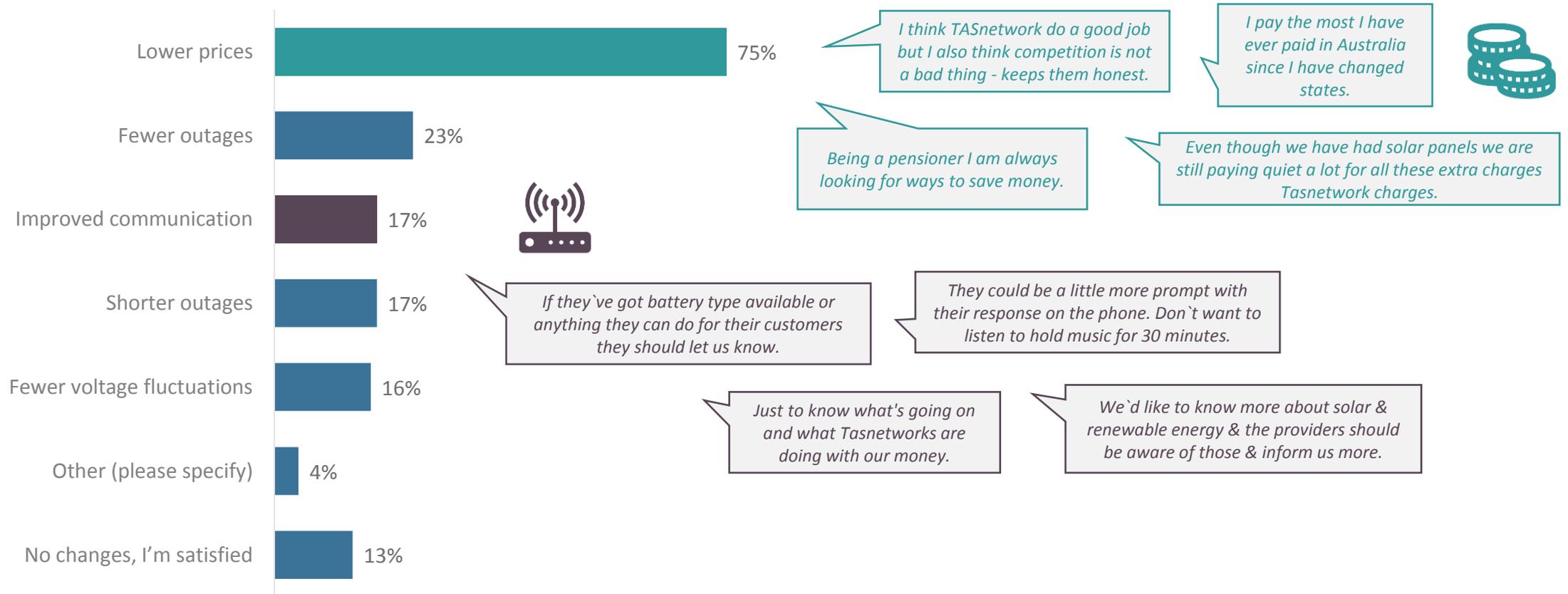
Other



Q14. Which of the following options would improve your satisfaction with your electricity network service? (Select all that apply)

MOST RESIDENTS WOULD SIMPLY PREFER LOWER PRICES REGARDLESS OF THEIR CURRENT SATISFACTION, HOWEVER A PROPORTION OF THESE CUSTOMERS WOULD LIKE MORE INFORMATION ON BATTERY/SOLAR OPTIONS.

WHICH OPTIONS WOULD IMPROVE YOUR SATISFACTION



Q14. Which of the following options would improve your satisfaction with your electricity network service? (Select all that apply)

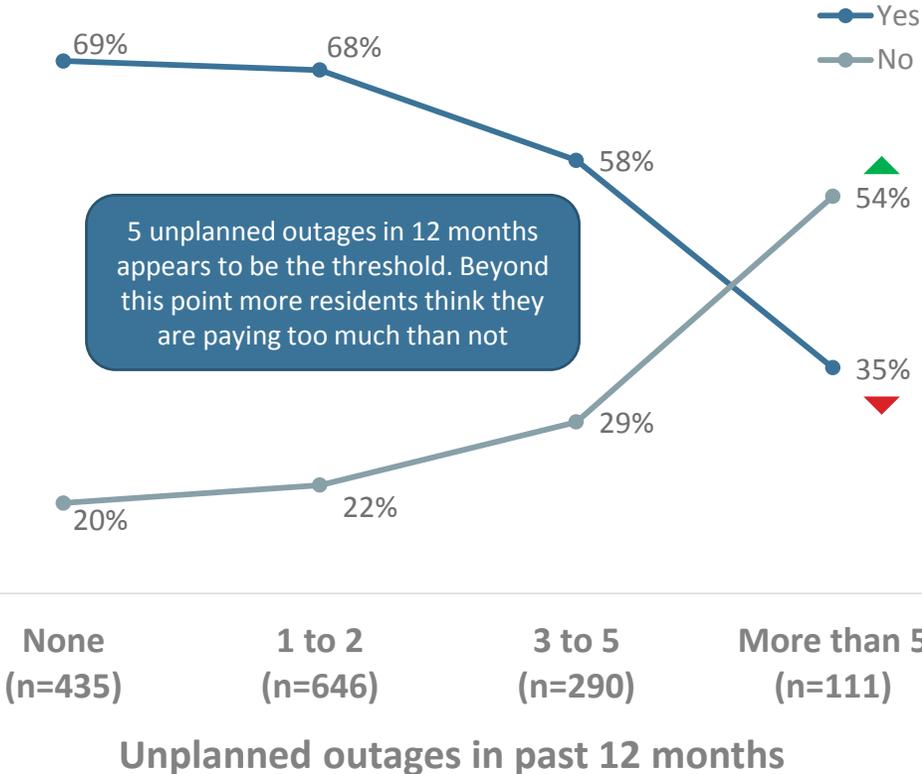
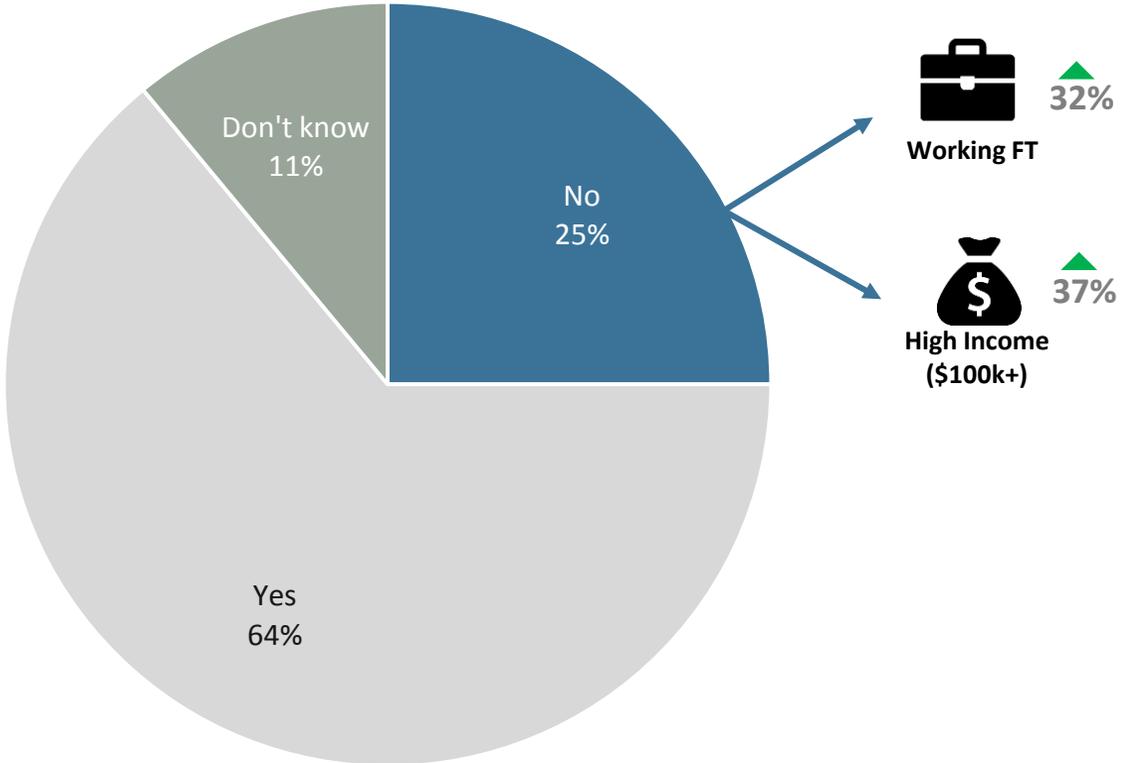
Q15. Why did you think that about [X]?

26 Base: All 2017 respondents (n=1482)

▲▼ Sig. difference at 95% confidence

ALTHOUGH MOST WOULD PREFER LOWER ELECTRICITY PRICES, 2 IN 3 RESIDENTS ARE HAPPY WITH THE AMOUNT THEY PAY RELATIVE TO THE RELIABILITY OF THE NETWORK.

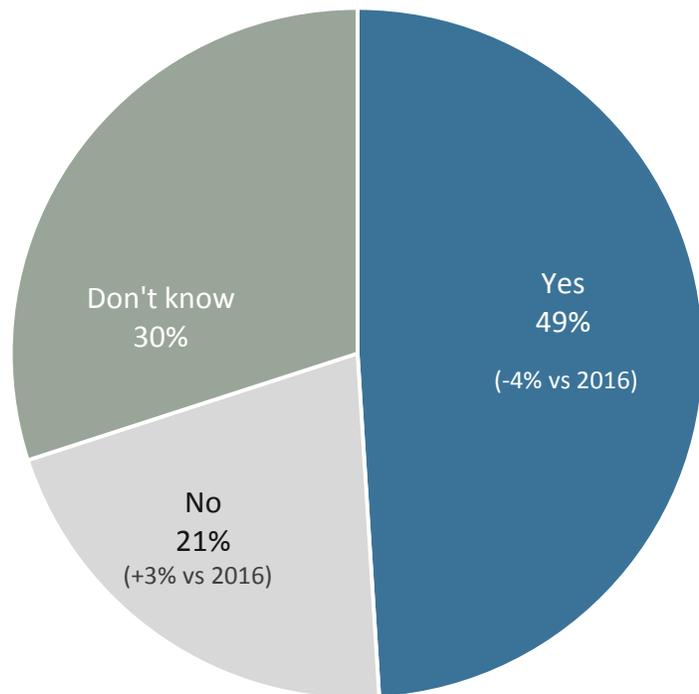
HAPPY WITH THE AMOUNT YOU PAY



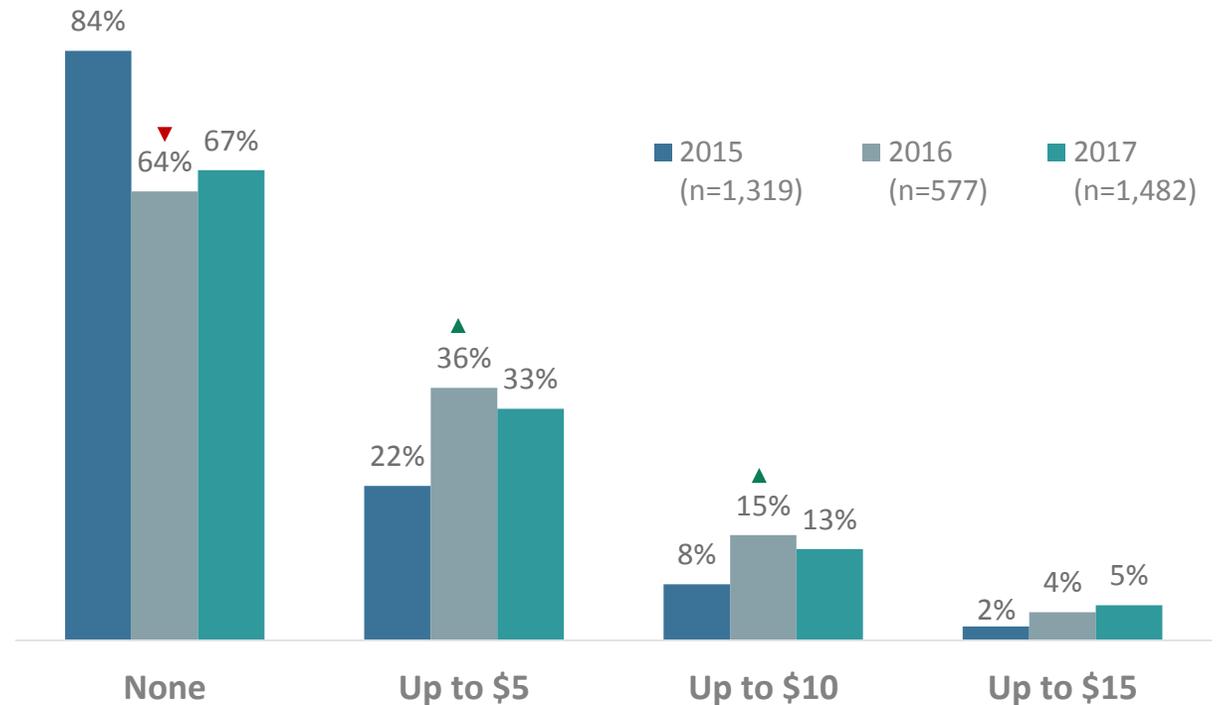
Q11. Are you happy with the amount you pay for the level of network reliability you receive?
 27 Base: All 2017 respondents (n=1482)

1 IN 2 BELIEVE RELIABILITY COULD BE IMPROVED WITHOUT A PRICE INCREASE, WHILE TOLERANCE FOR A PRICE INCREASE HAS REMAINED STABLE YEAR ON YEAR- 1 IN 3 WILL ACCEPT A COST INCREASE.

COULD RELIABILITY BE IMPROVED WITHOUT BILL INCREASE
2017



LEVEL OF PER QUARTERLY COST INCREASE WILLING TO ACCEPT FOR BETTER SERVICE AND/OR RELIABILITY



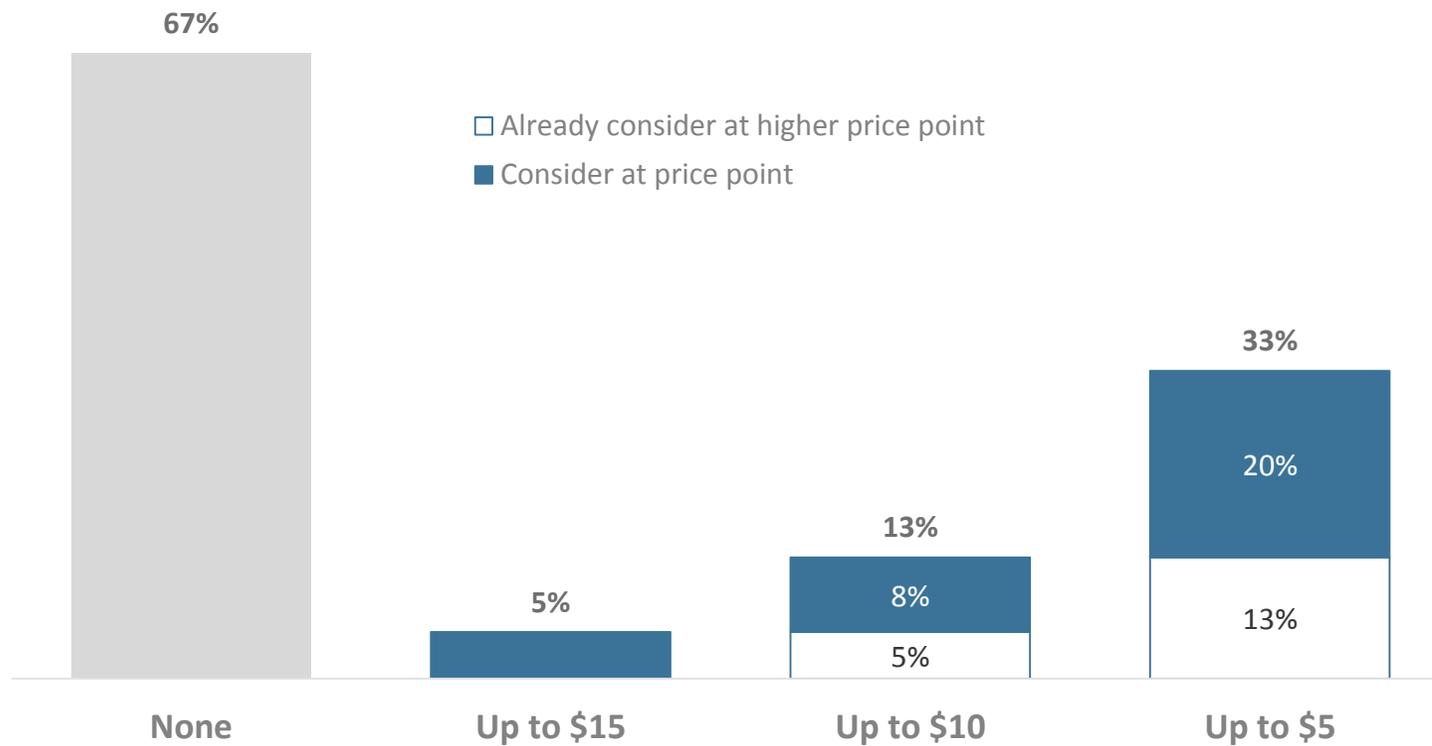
Q12. Do you believe TasNetworks could improve the level of network reliability without increasing energy bills? Base: All 2017 respondents (n=1482)

28 Q19. What level of cost increase would you be prepared to accept for improved electricity network services and/or reliability in your area? Base: All respondents who provided an answer

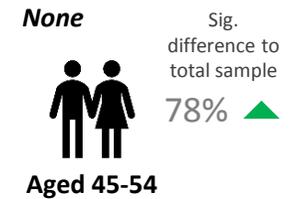
▲▼ Sig. difference at 95% confidence

LIKELY DUE TO A POTENTIALLY HIGHER RELIABILITY ON TECHNOLOGY, 1 IN 5 YOUNGER RESIDENTS SURVEYED (18-34) ARE WILLING TO PAY UP TO \$15 PER QUARTER TO IMPROVE NETWORK SERVICES.

LEVEL OF PER QUARTER COST INCREASE WILLING TO ACCEPT
2017



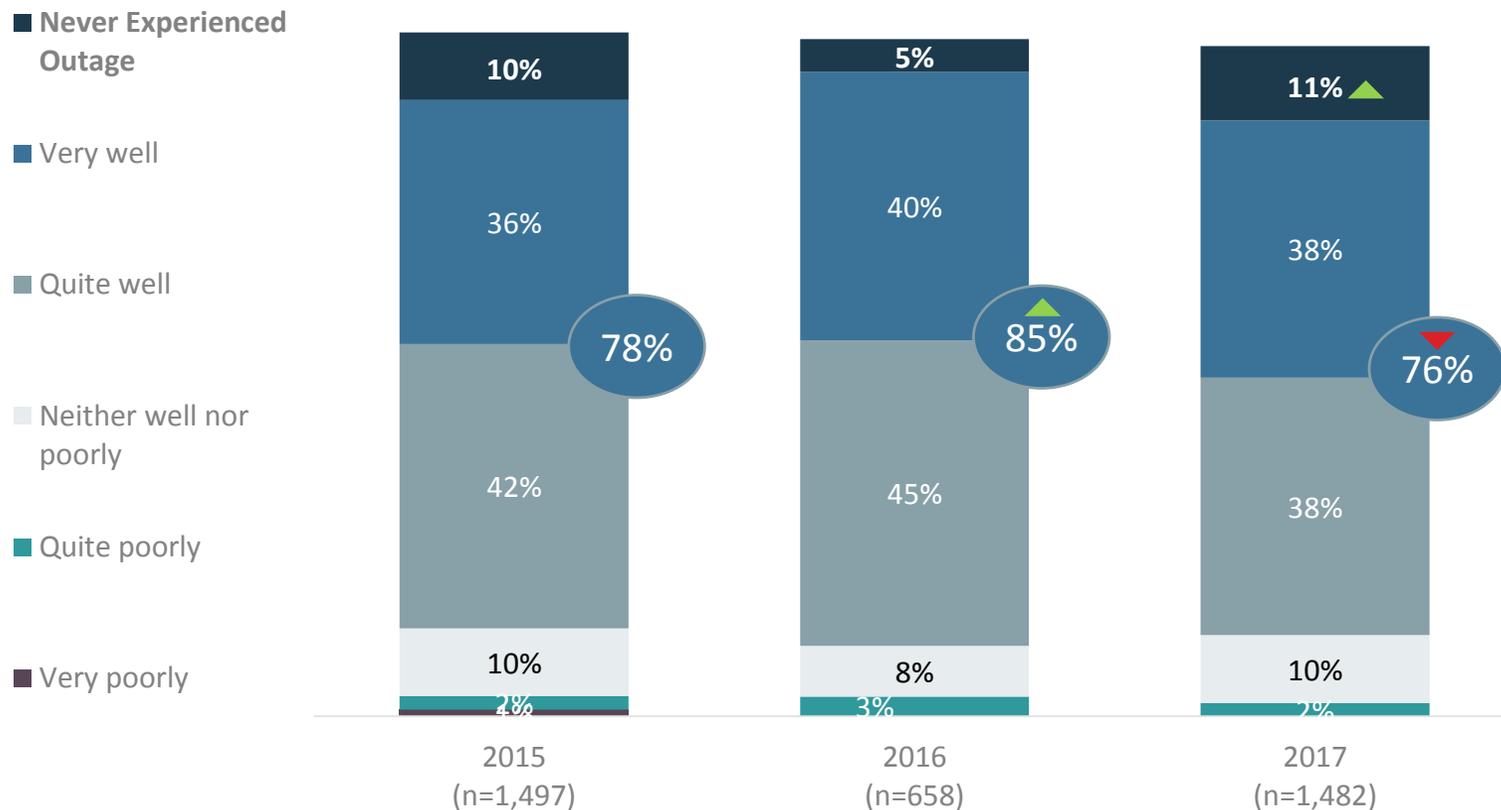
2016
Subgroup differences



THE NUMBER OF RESIDENTS SURVEYED EXPERIENCING NO OUTAGES HAS INCREASED THIS YEAR, THOUGH POOR RATINGS CENTRE AROUND BEING KEPT INFORMED WHEN OUTAGES OCCUR.

- There is a potential opportunity for TasNetworks to improve their communications to customers when power outages occur which will likely improve satisfaction.

TASNETWORKS RESPONSE RATING



2017 Response rating

'quite poorly' & 'very poorly'

It's the nature of the method they use to advise you of an outage. They don't respond. It's Aurora that you call.

50% of them are awesome - they were here in two hours. The other 50% are bad - when they have a lot of calls they need to prioritise better.

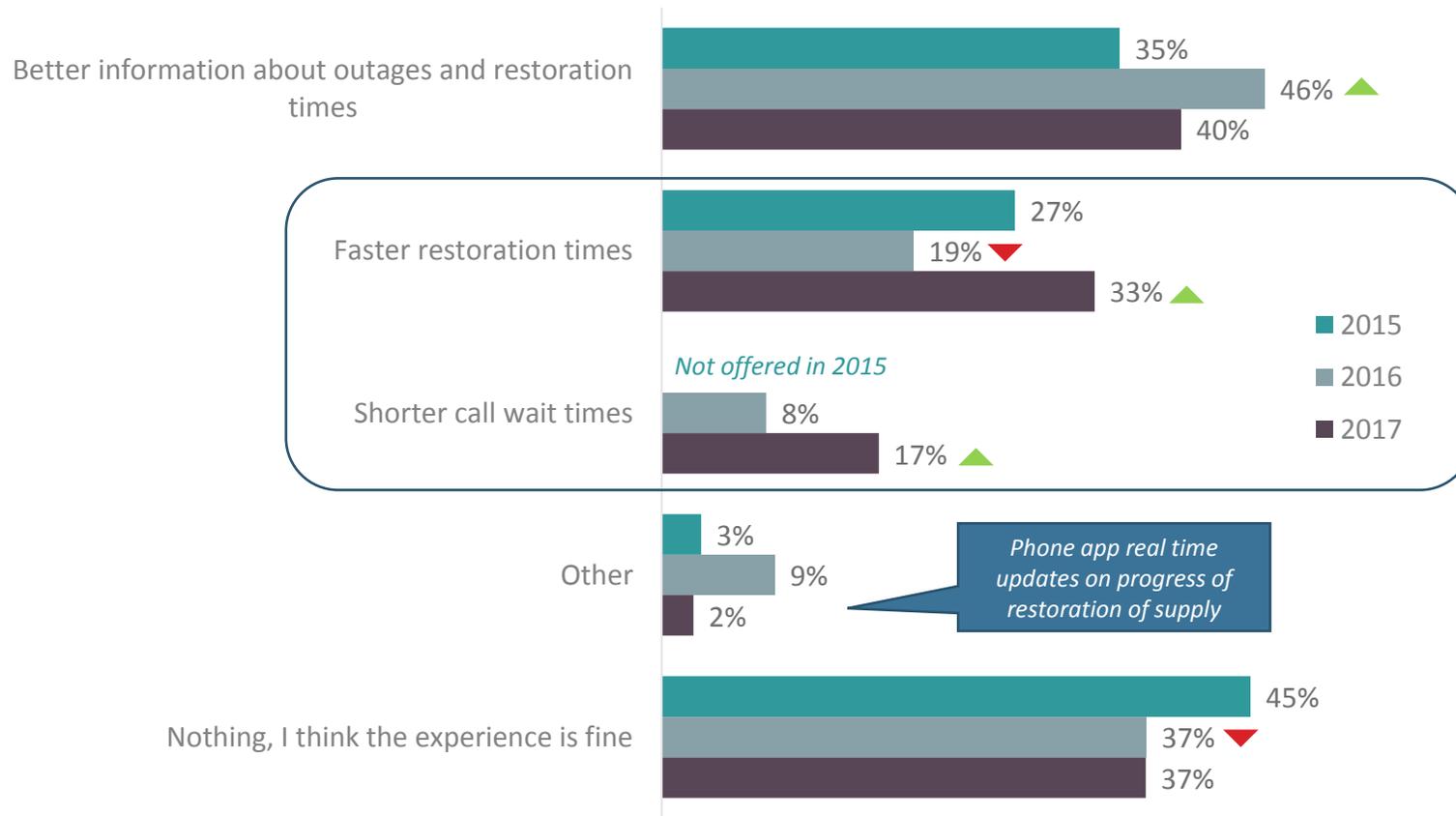
Sometimes power is off at peak times and we are not advised about the reason why or when it will be returned often we just wait and see...

Because we ourselves had only access to automated phone services which told us nothing about when the power would be reinstalled.

Q17. Overall, how well do you feel TasNetworks responds to power outages or interruptions in terms of timely restoration of supply, communication and telephone response?

CUSTOMERS SURVEYED HAVE A HIGHER PREFERENCE FOR FASTER RESTORATION TIMES AND SHORTER CALL WAIT TIMES THIS YEAR WHEN COMPARED TO 2016.

TASNETWORKS RESPONSE EXPERIENCE IMPROVEMENTS



2017 Subgroup differences

Shorter call wait times



22%

Pensioners

Faster restoration



48%

Aged 18-34

Short call wait times is particularly important for Pensioners whereas young, tech-savvy customers require faster restoration of the network.

FEEDBACK FOCUSES ON SOLAR POWER HOWEVER SOME CUSTOMERS WERE CONCERNED ABOUT SERVICE, PRICE AND POWERLINES.

BETER SERVICE CUSTOMER FEEDBACK

A lot of people have put solar panels in & receive a govt rebate for doing it. It was supposed to reduce output on the generators. Now we have a situation where the feed in tariffs are becoming negligible & there's a dis-incentive to use solar panels or batteries.

Consideration must be given to the wholesale price of power generated as at end of grandfather clause there is no incentive to have alternate power



SOLAR POWER

I would like solar feed in tariffs adjusted to be more fair.

Higher rebates for solar

A service to detect why I use so much power in the house

I would like the meter reader the leave a card if he has done the reading or not

I would like them to give assistance to low income earners

I would like TasNetworks to contact the owners about unused e.g. Hydro heat meters remove them and stop charging for them.

VALUE ADDS

Newsletter about how things are going

Thank you for providing updates on Facebook! This is very helpful.

Better communication between Aurora and TasNetworks

One of those things you put in the power point to indicate if you have any fault in your line inside the house

I wonder if they could use underground cables instead of poles

A staff member on call for outages to tweet/post on social media with real-time updates.

A staff member on call for outages to tweet/post on social media with real-time updates



SERVICE

Less call time waiting when contacting the call centre

Would like to talk to someone and not a robot

Prices should not be this high for Hydro Power. Mismanagement or continual increases to shareholders profits is not acceptable

For the good of Tasmania just get those poles under the ground.

Controlling power increases to CPI.



PRICE

The high cost of charges on power bills before I even use any electricity



UNDERGROUND POWER

Focus on installing more underground service to replace the existing overhead wires to reduce less power outages

EXECUTIVE SUMMARY - RELIABILITY, RESPONSE & PRICING (I)



CHANGES IN VALUED SERVICES

There has been a softening in the perceived value of TasNetworks' core services (delivery and restoration of supply) this year, particularly amongst a younger audience (35-44 years old).

However, younger electricity users (18-34 years old) are now significantly more likely to value TasNetworks' public awareness campaigns on safety issues.



POTENTIAL TO TRADE ENERGY

1 in 2 customers like the idea of having a way to trade excess energy, enticed by the option to generate an income and have more control over their energy bill.

However, more information is needed for customers to make an informed decision as to whether they would like to partake in this trading in the future.



OUTAGES REMAIN INFREQUENT

The perceived average number of unplanned outages has remained stable this year at 2.0 times for residents while overall satisfaction stayed high.

The number of customers who rate their satisfaction as 'very high' has significantly increased, notably amongst those who are experiencing between 3-5 outages per year.

EXECUTIVE SUMMARY - RELIABILITY, RESPONSE & PRICING (II)



DESIRE TO REDUCE PRICES AND IMPROVE COMMUNICATION

Unsurprisingly 'lower prices' is the option most likely to improve satisfaction amongst residents. This is driven particularly by those with kids at home, spending an average of \$540 per quarter.

Improved communication channels and more information on solar & renewable energy options are also requested by 1 in 6 residents to improve satisfaction.



YOUNGER TASMANIANS WILLING TO PAY MORE

With a likely higher affinity with technology, 1 in 5 Tasmanian residents surveyed aged 18-34 feel they are willing to pay up to \$15 more on their bill per quarter to improve network services.

This age group is also more likely to express their need for shorter restoration times to improve their experience with TasNetworks during power outages.



SOLAR PRICING

General customer feedback focuses heavily on solar power and the current and future feed in tariff pricing strategy. Customers feel disadvantaged by the amount they receive for selling energy back to the grid as they feel this does not reflect the price they pay for their usage.

General information on solar options for customers and suggestions of trustworthy sources for purchase/installation was something which also customers suggested spontaneously.



POTENTIAL NEXT STEPS

POTENTIAL NEXT STEPS



GROW BATTERY SYSTEM UPTAKE

There is potential to grow the battery system market in Tasmania with such a low current base of customers with these installed.

Battery systems priced up to \$2,000 have high consideration amongst Tasmanians surveyed and should be promoted if possible to increase uptake.



ASSIST IN SOLAR POWER UPTAKE

There is a potential opportunity to become a direct source of information for all things solar.

Customers desire more information not only on purchasing and installation but also solar pricing and their options to trade energy if possible.

With concerns around the pricing strategy of solar, consider sharing information on why the payment to support the network is at a lower rate than usage.



THE MORE COMMUNICATION, THE BETTER

Providing customers with an ample supply of information will likely improve satisfaction. It provides customers more of a feeling of control over their expenditure and existing or future options available to them (e.g. trading energy, remotely read meters, etc).

It also positions the brand as a category leader, driving value and a feeling of worth towards the company.



CLARITY WILL ASSIST SATISFACTION WHEN EXPERIENCING OUTAGES

Endeavour to provide more clarity before, during and after power outages.

Although satisfaction remains high, some customers feel they aren't always proactively notified of changes to their network.

Once informed, customers feel they aren't given estimations on when to expect the network to be back in action, leaving them feeling like they are in the dark.

THANK YOU!

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