



Findings from Residential Survey

Prepared for



September 2017



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Background & objectives

- Essential Energy is a NSW Government owned corporation with responsibility for building, operating and maintaining Australia's largest electricity network.
- The organisation 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 by January 2018.
- A significant programme of customer and stakeholder engagement is being conducted to contribute to the development of the proposal.
- This survey forms part of that programme.

Research design

- A mixed mode online and telephone survey was conducted with a representative sample of n=754 residential customers, with a further n=11 survey completes through the 'Have your say' microsite.
- The survey was scripted and hosted internally to ensure we were able to apply strict quality control procedures in the checking of set-up, and in monitoring progress on a daily basis.
- Online sample was obtained through a reputable and quality assured research panel provider, with telephone sample from the electronic White Pages.
- Data was weighted during analysis for age, gender and location to ensure the total is representative of the Essential Energy network.

Summary

Vegetation management

- Proposed strategies for vegetation management were generally supported by the majority of residential respondents, with the Northern region indicating slightly higher agreement with each strategy proposed.
 - Removing and selectively replanting vegetation was the most supported strategy (77% agreeing).
- When paired with quarterly bill savings the strategies with higher bill savings saw an increase in support:
 - When presented with a monetary saving of \$2.30/quarter, overall support for increasing the average trimming cycle increased from 52% to 60%.
 - When proposed with a monetary saving of \$4.50/quarter, overall support for passing on vegetation maintenance costs to Local Councils or private landowners increased from 59% to 62%.

Summary

Street lighting

- Over a third of respondents indicated they would contact Essential Energy in the case of a faulty streetlight (36%). This was highest in the North Coast area (38%). Still most indicated they would contact their local council (57%).
 - Fewer than 1 in 5 respondents (18%) were aware that this could be reported online.
- Unprompted, over a half (55%) of respondents indicated they expected a streetlight to be repaired within 3 days after being reported, however the mean time span was 5.3 days.
 - When asked if a 7 day period was reasonable, 64% indicated it was.

Summary

Response times

- More than 4 in 5 respondents (86%) indicated a preference for the current practice for unplanned outages that impact a small numbers of residents, rather than lengthening response times (to up to 16 hours) for a small reduction in costs for all customers of \$0.35.
- There was also a preference (44%) for maintaining current practice in regards to timing of planned outages.
 - However, a third (32%) indicated they would prefer an earlier and later timeframe of 7am-4pm with an incentive of a \$0.50 reduction per quarter for all customers.

Summary

Billing

- Origin was the main electricity retailer for respondents (48%), followed by AGL (14%).
- Just over a third (37%) of respondents indicated that they were aware of different pricing options or plans offered by their retailer.
- Most simply alluded to “discounts for paying on time/early” (26%), or receiving “different plans/discounts/being cheaper” (12%).
- When prompted, the majority did not know which plans are offered by their retailer or even which plan they are currently on (62% each).
- Awareness of different price options offered by Essential Energy was minimal (9%).
- Half of residents were in favour of splitting the bill into different components e.g. generation, distribution and retail costs (51%) with around 1 in 5 against (22%).

Summary

Reliability

- Over half (56%) of respondents agreed with Essential Energy increasing network charges by \$0.10 to complete reliability improvements in areas with lower availability.
- There was strong support for the Black Spot program (78% in agreement with the implementation), with the majority still supporting this with the suggestion of a minimal quarterly increase of \$0.06 (62%).

Summary

Other operating expenditure

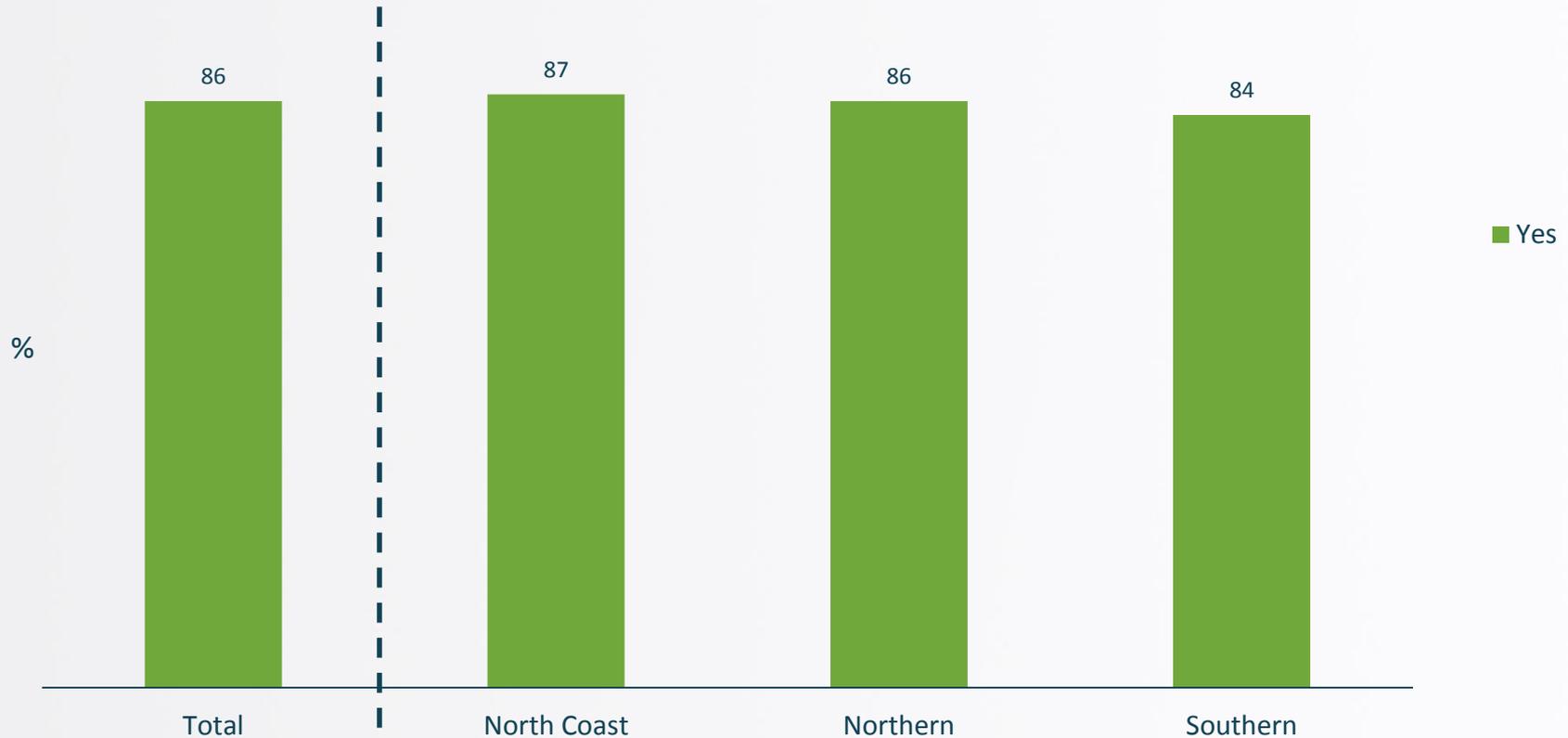
- There was little support across the residential respondents for improving the quality of communication at a cost of \$0.30 or providing hourly updates during outages at a cost of \$0.35 (27% supported each).
- Investment into R&D to ensure Essential Energy can adapt to support new energy technologies, at an increase of \$0.30 per quarter was supported more strongly (49%).

Awareness and familiarity



Most residents had heard of Essential Energy

Awareness of Essential Energy



Q9. Have you heard of Essential Energy?

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

Residents had only a very limited understanding of the services provided by Essential Energy

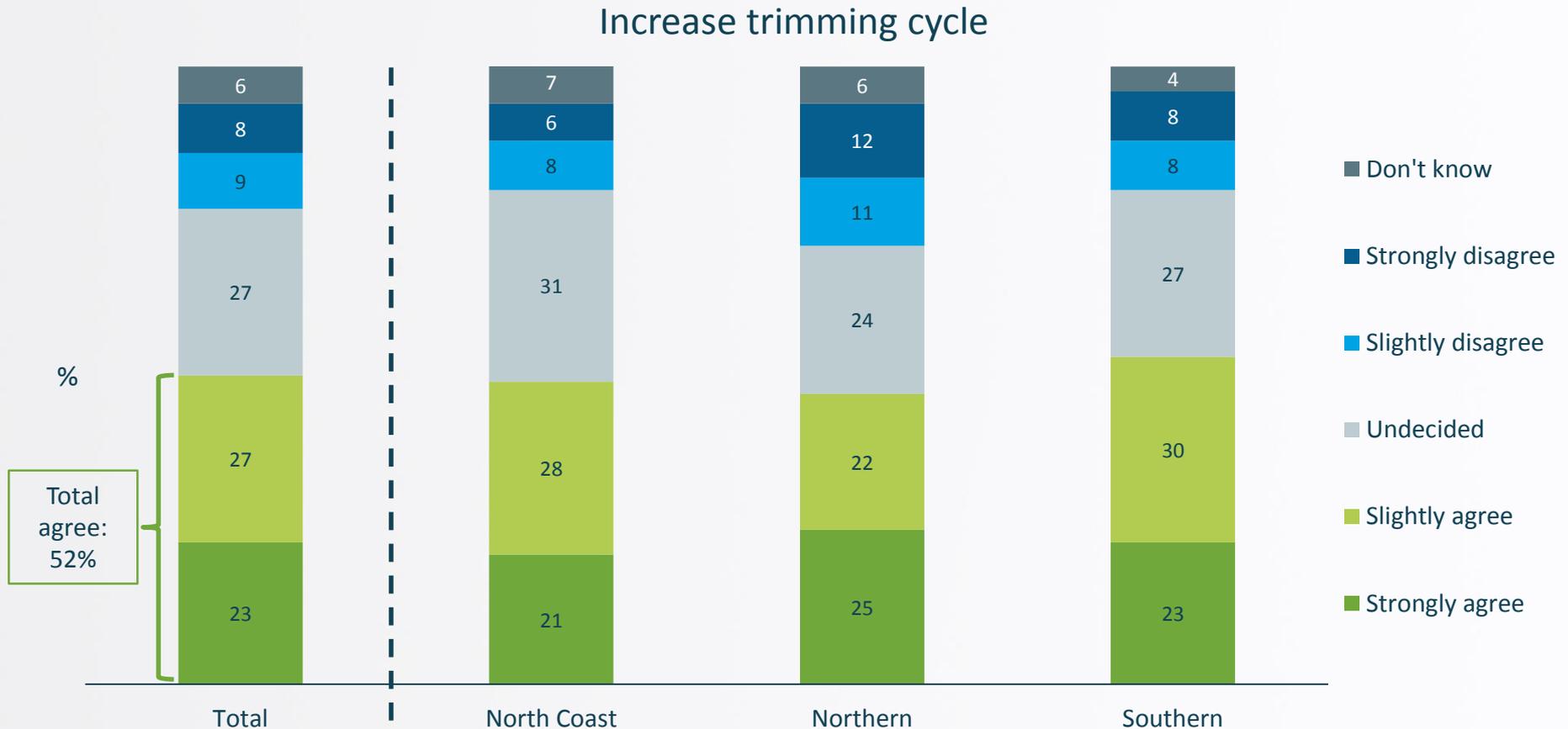
Services provided by Essential Energy (recalled)	Total (n=656) %	North Coast (n=246) %	Northern (n=212) %	Southern (n=199) %
Electricity NFI^	33	35	33	32
Electricity and gas NFI^	18	17	14	24
They are the poles and wires people/do the maintenance of the network	17	19	15	14
Energy/power NFI^	9	8	12	6
They provide all the services to do with power/supply services	6	5	5	7
They are electrical distributors/supply electricity to the retailers	4	4	5	2
They do the connections for electricity/ to houses	4	4	2	4
They restore power when there is an outage	3	<1	4	4
They are the providers/main providers of power to regional areas	2	5	<1	1
They are our provider/they are the provider in our area/ used to be our provider	2	1	4	1
They own/provide the infrastructure for power	3	2	4	3
It is a govt owned company	2	4	-	<1
They are expensive/a bit pricey/put the prices up	2	1	1	3
I only know the name	1	1	2	1
I just see their trucks around the place	1	3	1	-
Other	11	7	15	10
Nothing / don't know	6	7	6	5

Q10. From what you know or have heard about Essential Energy, what services do you know they provide?

Base: Respondents who had heard of Essential Energy (n=656)

^ NFI = no further information

Half of residents were in favour of increasing the trimming cycle and less than 1 in 5 were opposed

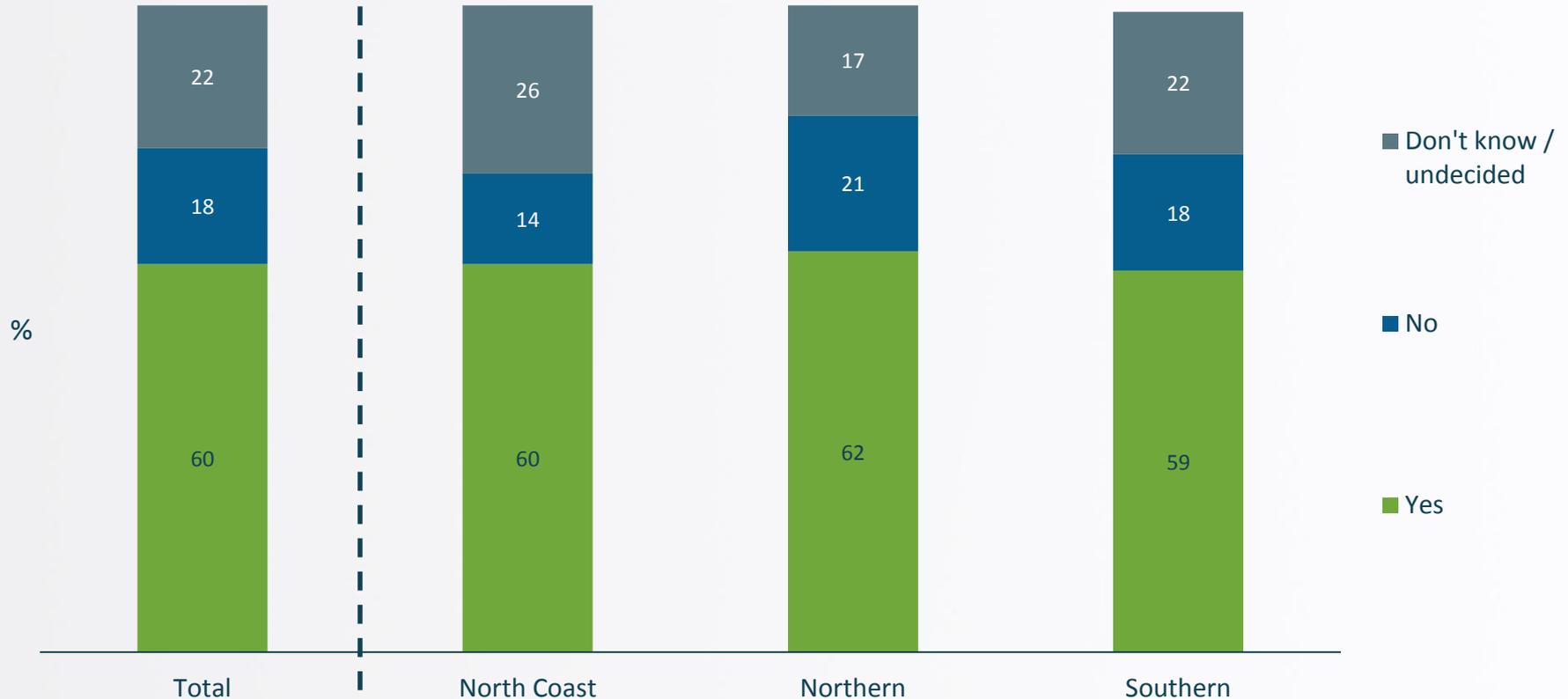


Q10. To what extent do you agree or disagree with increasing the average trimming cycle by about 6 months in urban areas.

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

After mentioning the cost savings, 3 in 5 residents were in favour of increasing the trimming cycle

Increase trimming cycle to save \$2.30 per quarter



Q11. And would you support this strategy if it saved customers an average of \$2.30 per quarter.

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

3 in 5 residents agreed with passing costs to local council & landowners, and 1 in 5 disagreed

Pass costs onto local Councils and private landowners

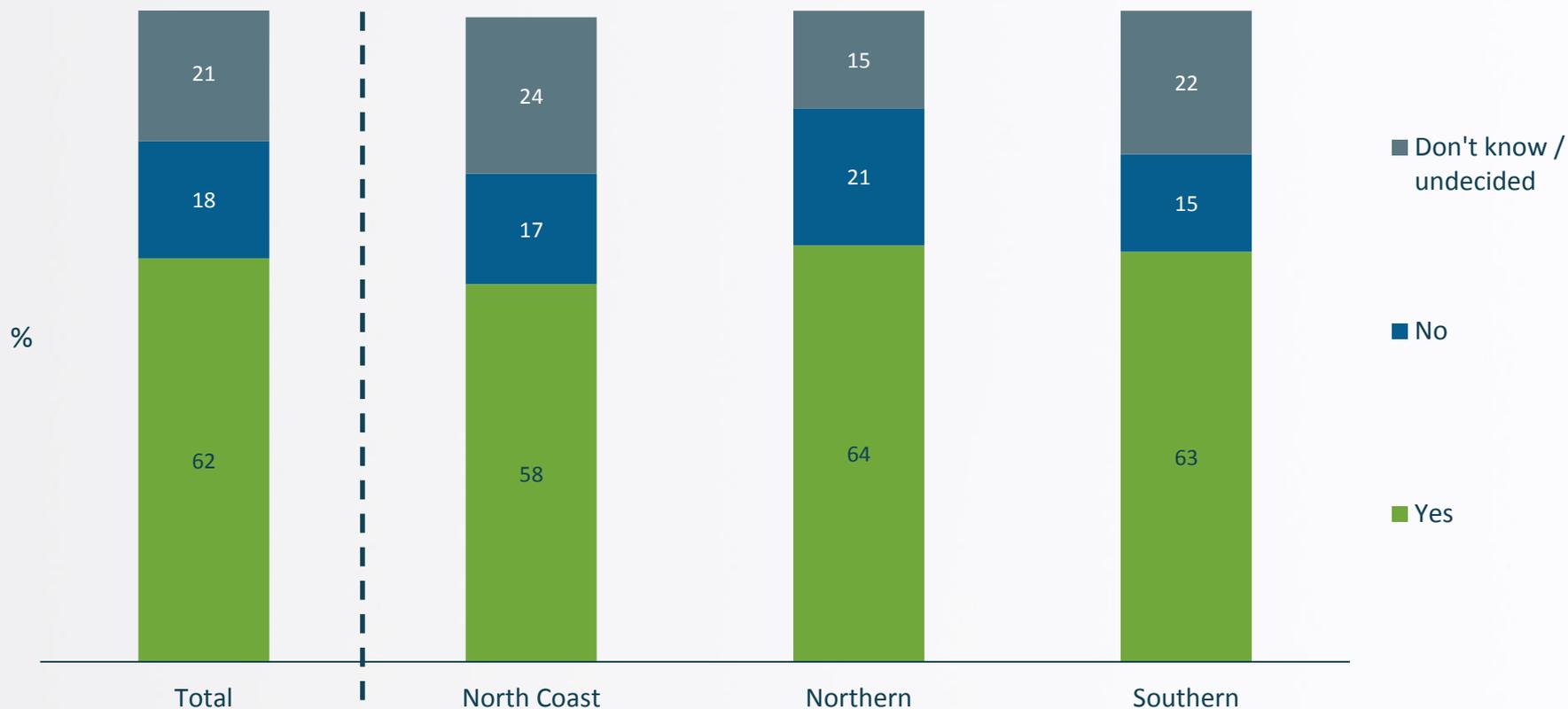


Q12. Another strategy used elsewhere in Australia would be to pass costs of vegetation maintenance onto local Councils and private landowners in circumstances where the wrong type of tree was planted after the power line was constructed, to what extent do you agree or disagree with this strategy?

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

After mentioning the cost savings, 3 in 5 residents remained in agreement and 1 in 5 disagreed

Pass costs onto local Councils and private landowners to save \$4.50 per quarter

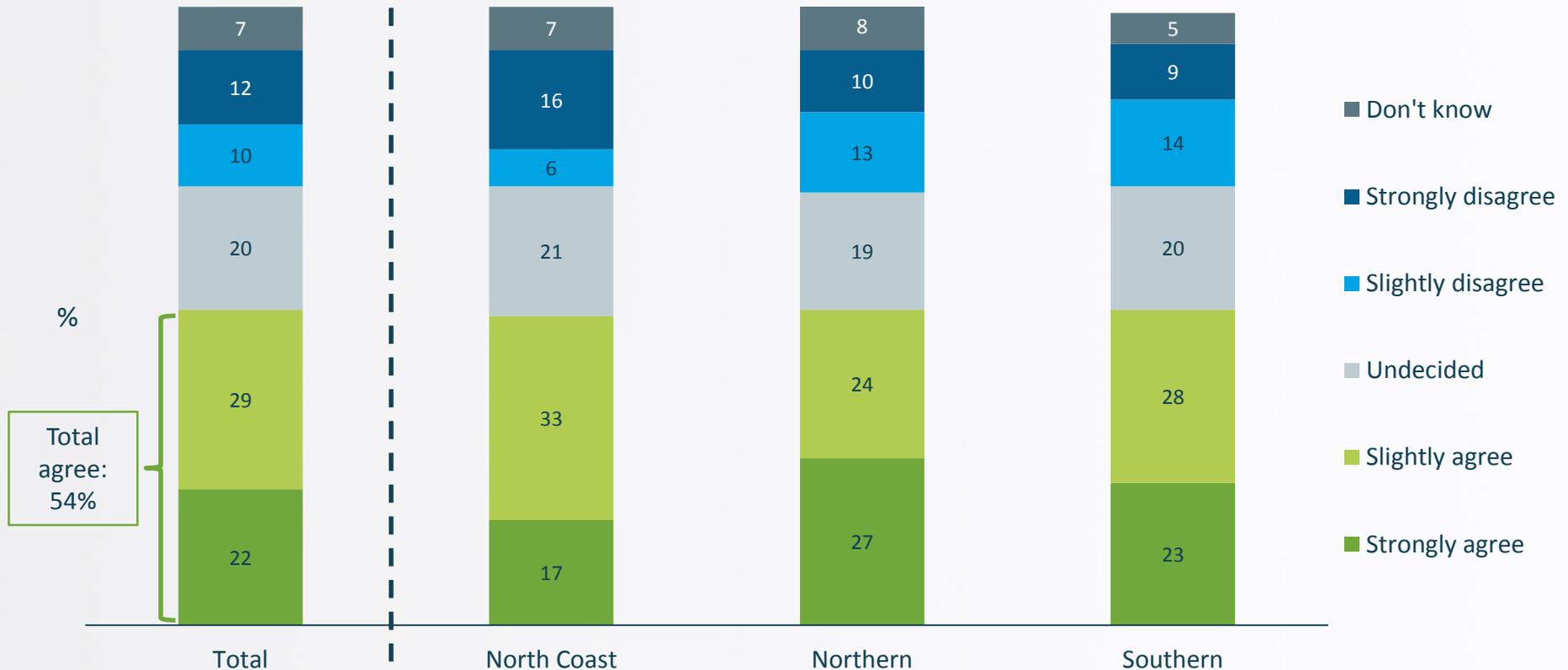


Q13. And would you support this strategy if it saved customers an average of \$4.50 per quarter?.

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

Half of residents were in favour of safely stacking vegetation in rural areas and 1 in 5 were opposed

Safely stacking vegetation in some rural areas

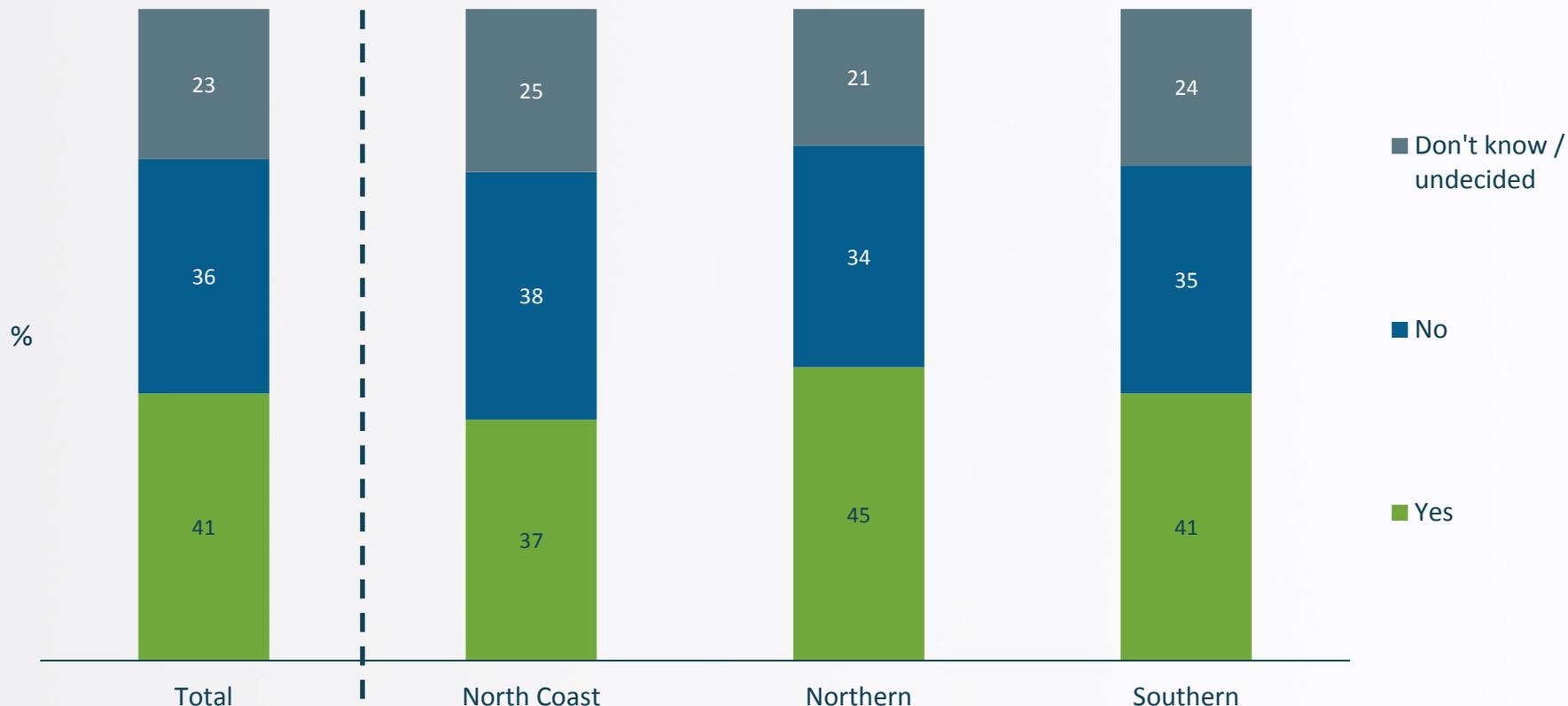


Q14. Essential Energy could also reduce costs by neatly stacking vegetation that has been cut in some rural areas rather than processing it on site into wood chips. To what extent would you agree or disagree with this strategy?

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

After mentioning the cost savings, fewer residents were in favour and more were opposed

Safely stacking vegetation in some rural areas to save \$0.38 per quarter

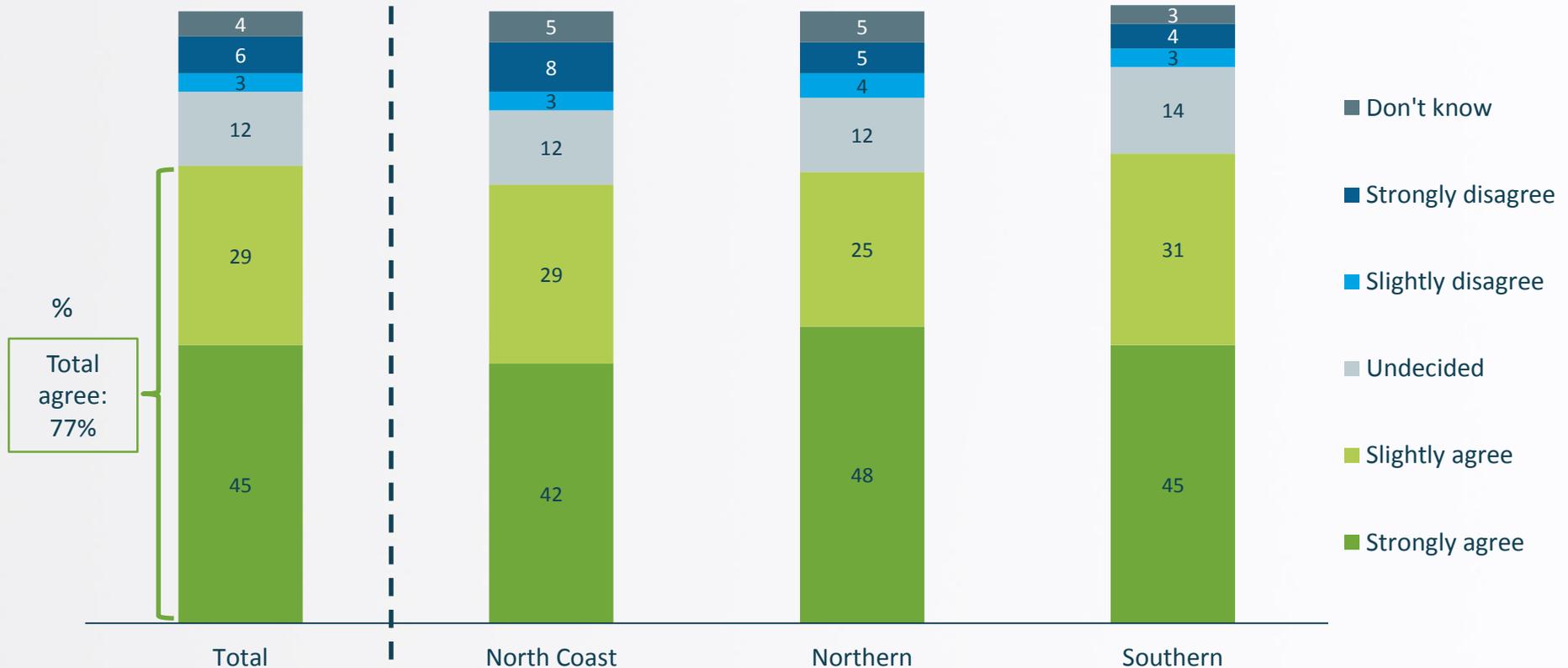


Q15. And would you support this strategy if it saved customers an average of \$0.38 per quarter?.

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

Three quarters of residents were in favour of permanently removing some vegetation

Permanently remove some vegetation and selectively replant

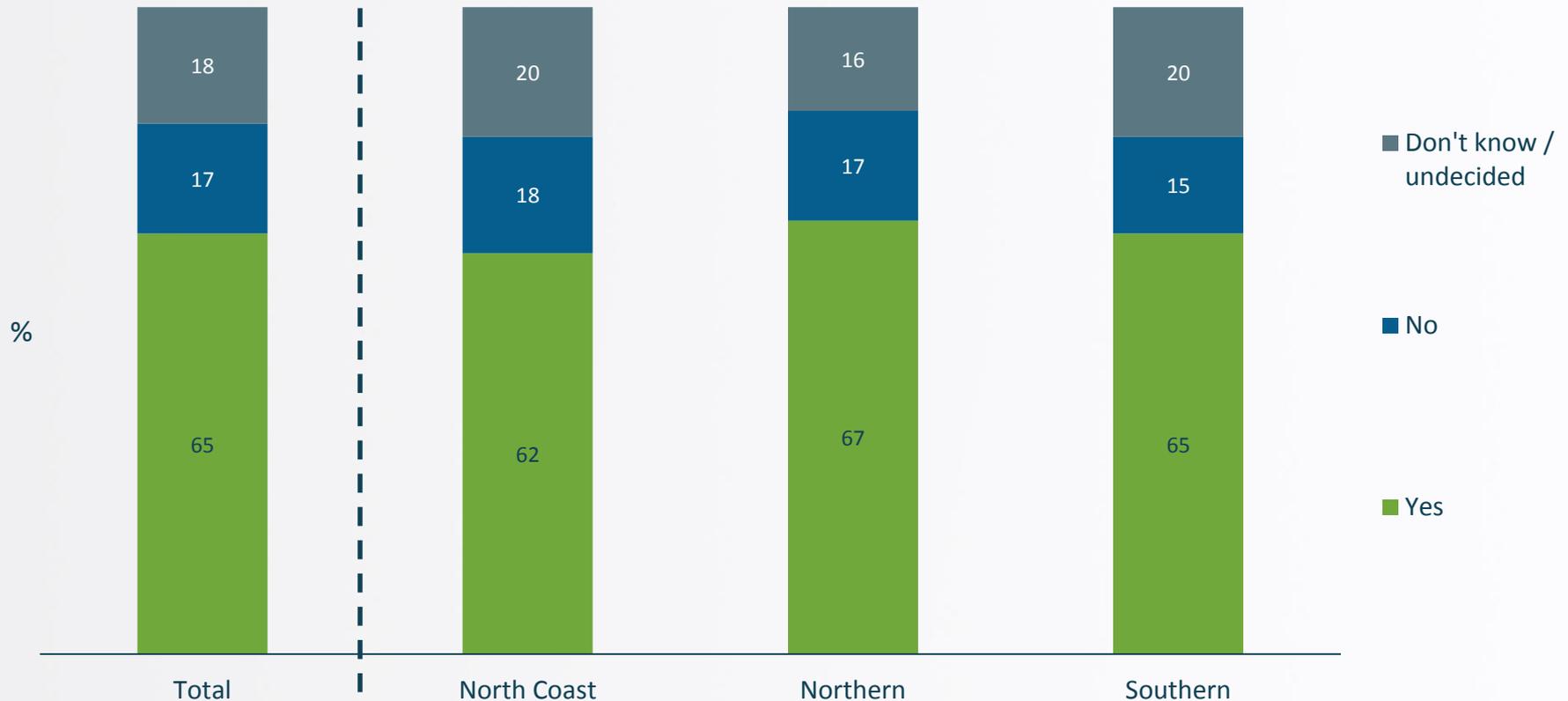


Q16. Costs could also be reduced if Essential Energy could permanently remove vegetation and selectively replant more appropriate types of vegetation. To what extent do you agree or disagree with this?

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

After mentioning the cost savings, two thirds of residents were in favour

Permanently remove some vegetation and selectively replant to save \$0.49 per quarter



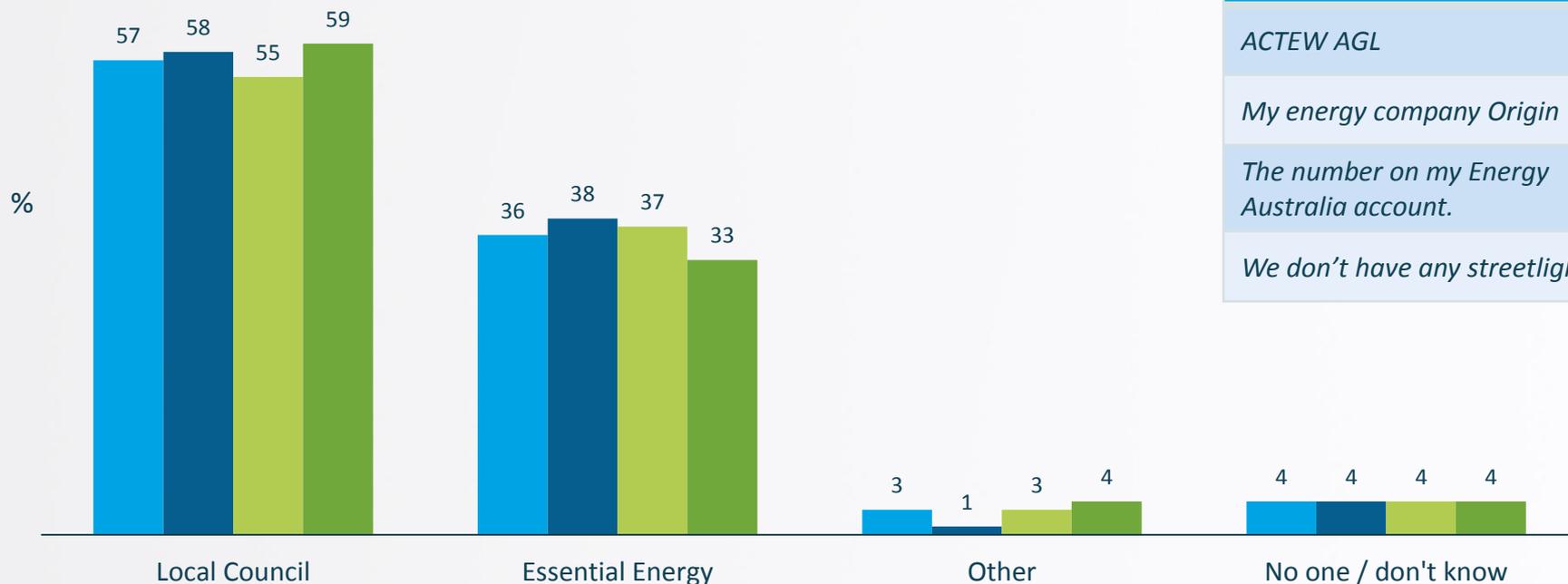
Q17. And would you support this strategy if it saved customers an average of \$0.49 per quarter?.

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

More than half would contact Council to report a faulty streetlight, while one third would contact EE

Contact to report faulty streetlight

■ Total ■ North Coast ■ Northern ■ Southern



Other - examples

ACTEW AGL

My energy company Origin

The number on my Energy Australia account.

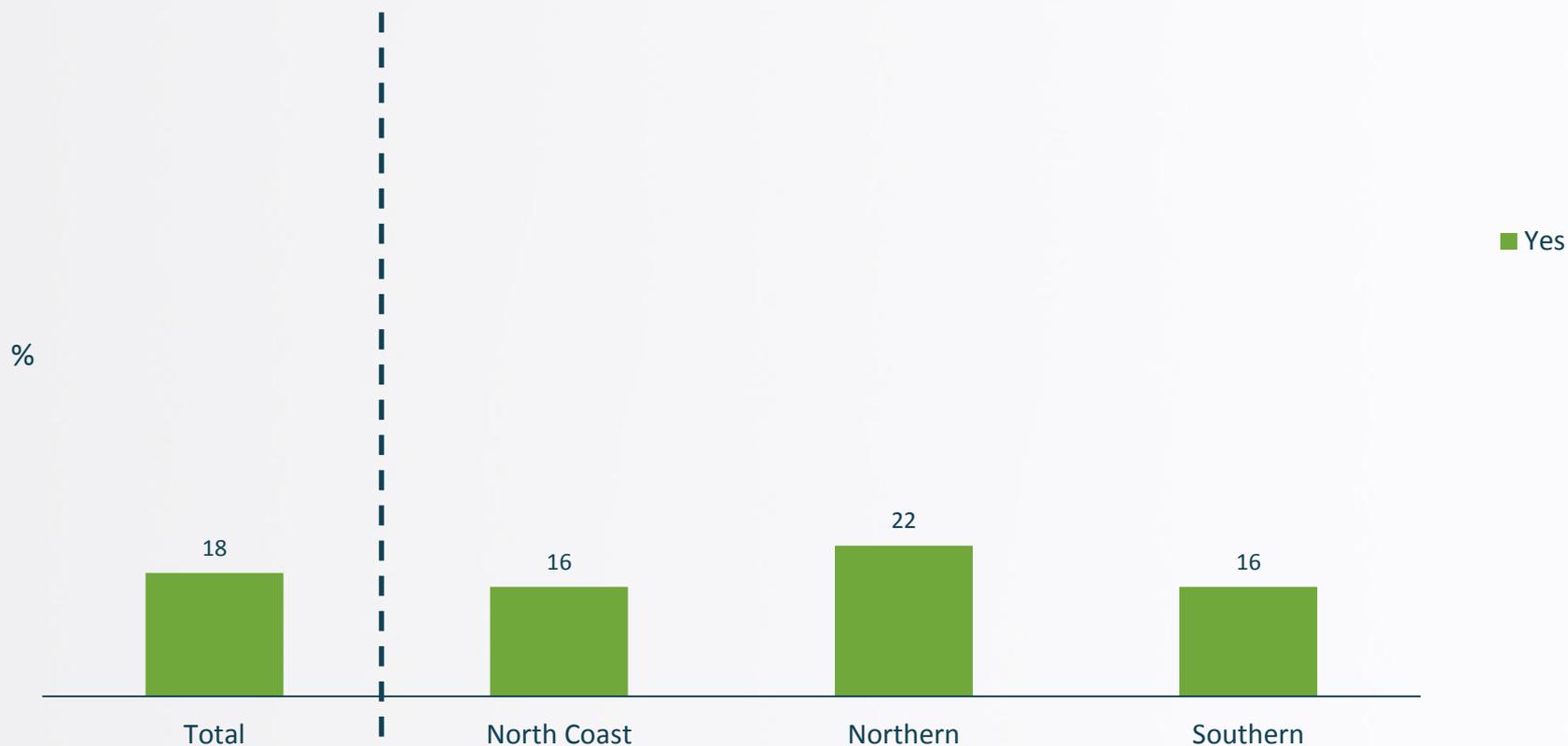
We don't have any streetlights

Q18. Who would you contact to report a faulty streetlight?

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

Few residents were aware that they could report a faulty streetlight online

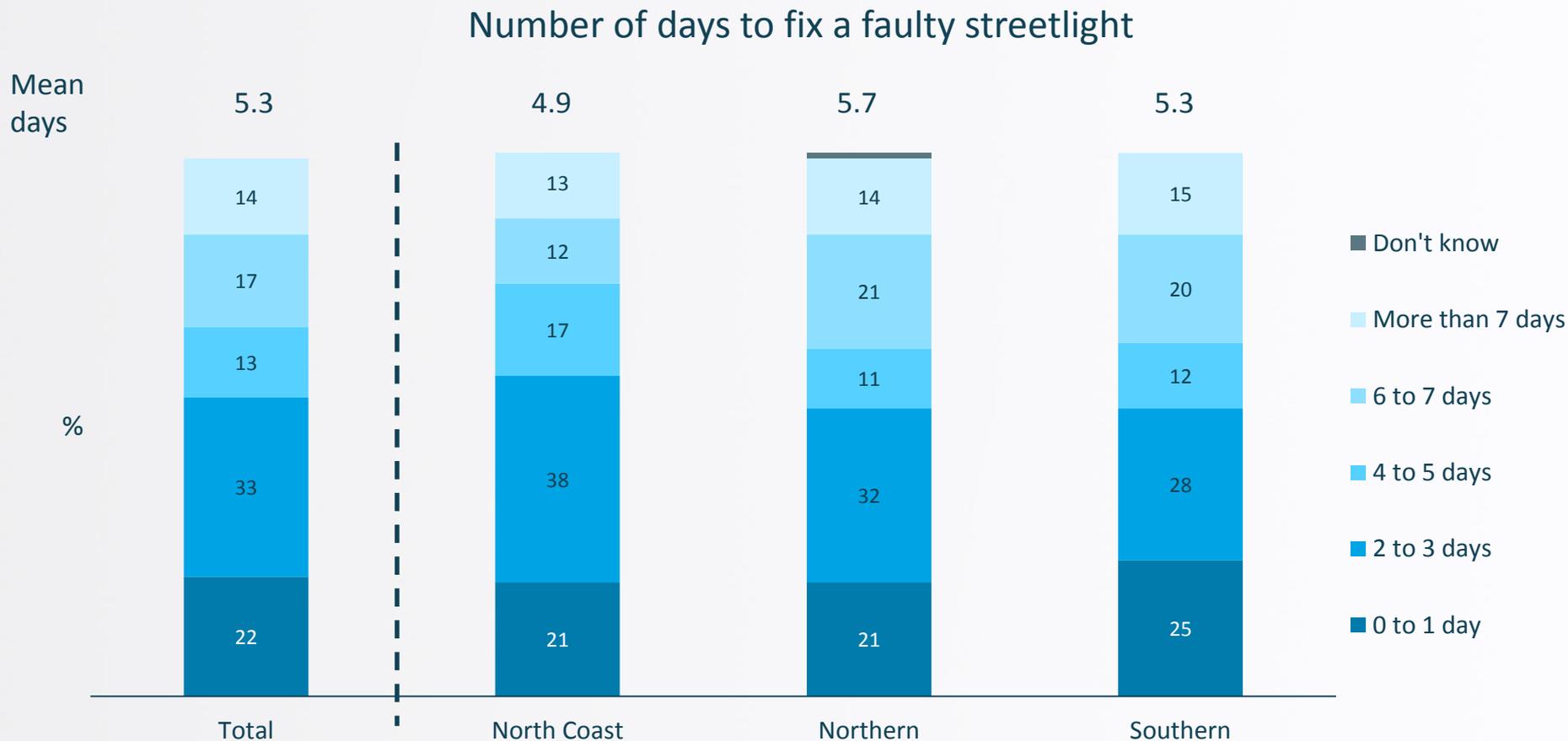
Awareness of being able to report a faulty streetlight online



Q19. Did you know that you can report a faulty streetlight online?

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

Over half thought that a faulty streetlight should be fixed in less than 3 days, the mean was 5 days

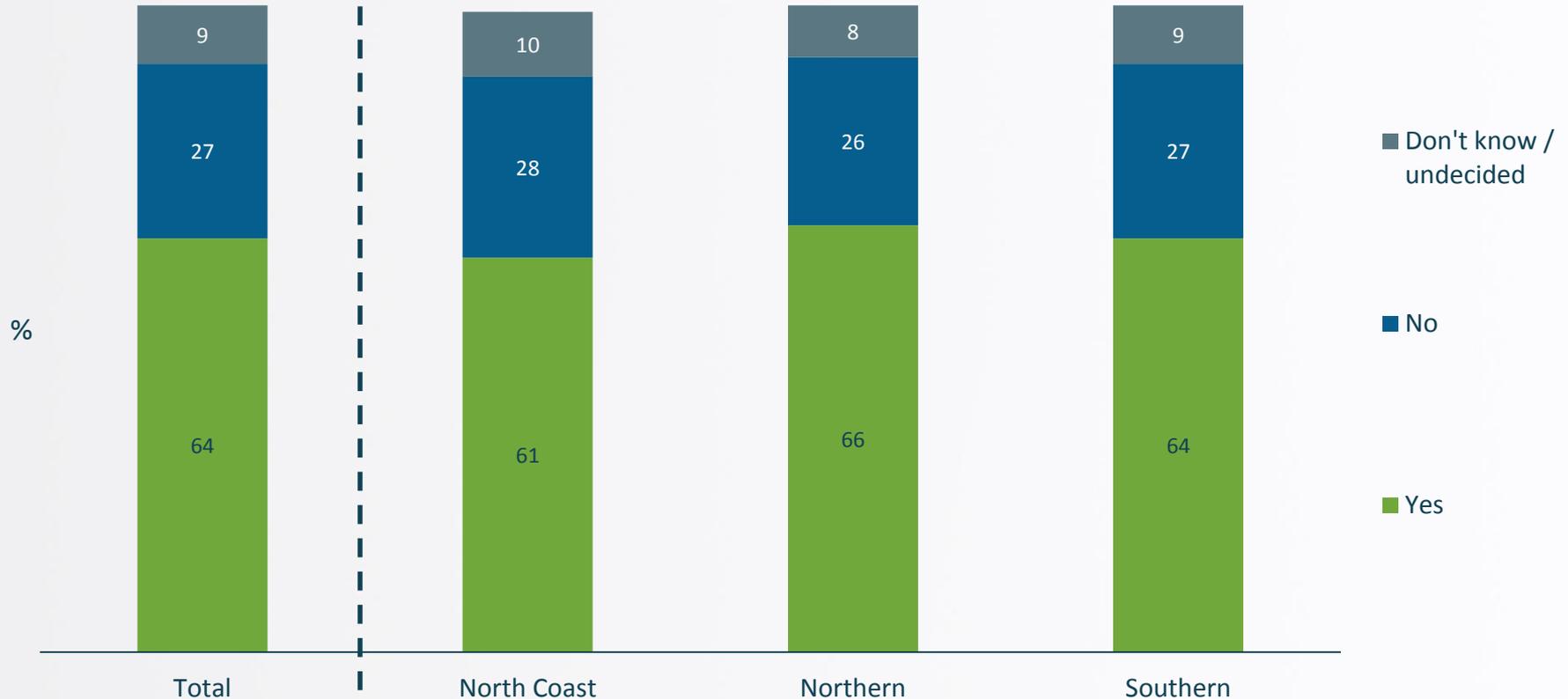


Q20. How long after a streetlight fault has been reported do you think Essential Energy should have to fix it?.

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

However, almost two thirds of residents felt that 7 days was an acceptable period of time

Is repairing a faulty streetlight within 7 days reasonable?



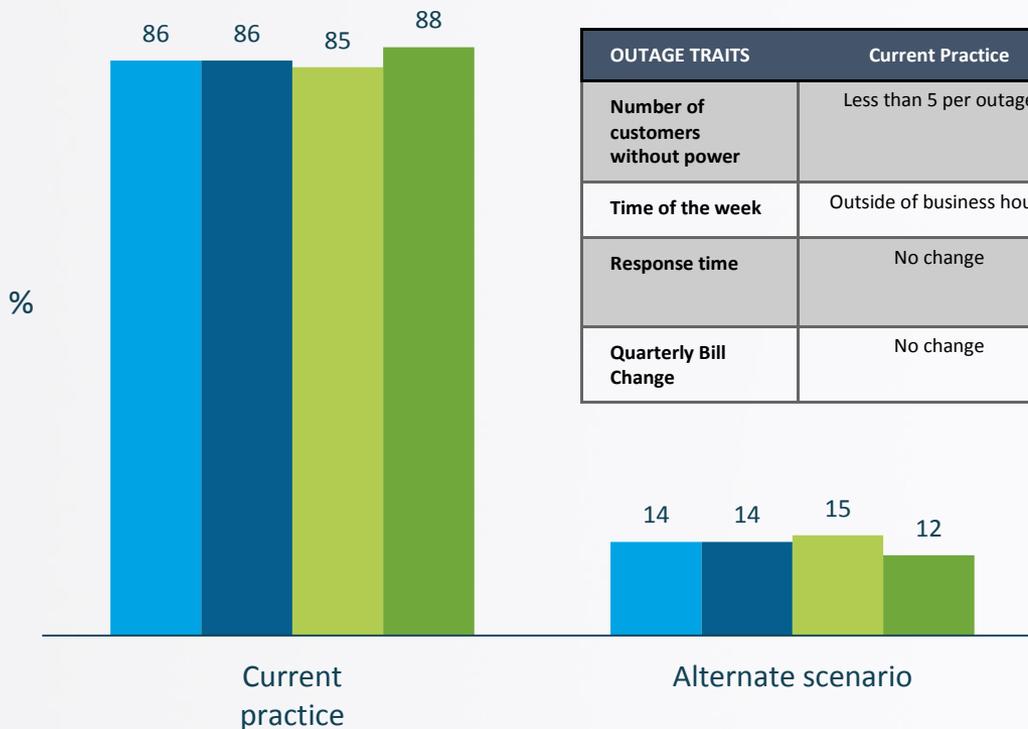
Q21. Do you think doing repairs within 7 days on average from the time the streetlight fault is reported would be reasonable?

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

Most preferred the current practice, rather than a longer response time for some customers for a cost saving to all customers

Responding outside of business hours

■ Total ■ North Coast ■ Northern ■ Southern



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

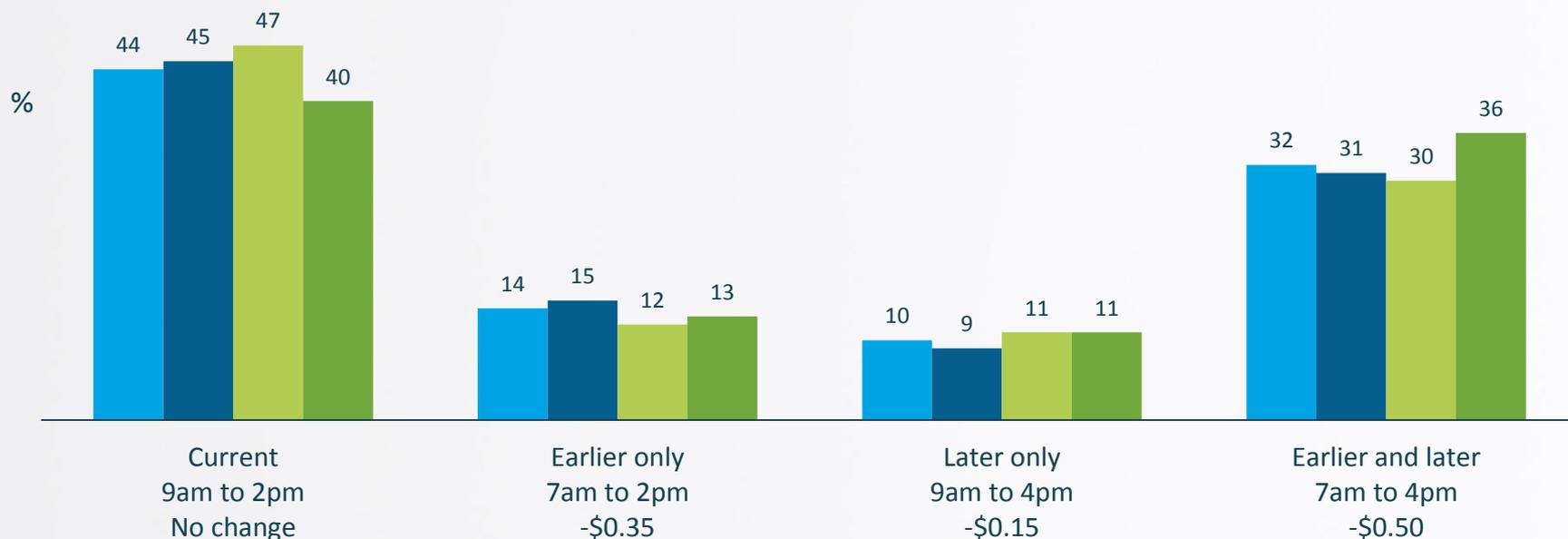
Q22. On average, Essential Energy supplies power to customers 99.9% of the time (excluding planned maintenance work and major weather events). They typically respond to power outages outside of business hours within one hour, and restore supply in under two and a half hours on average. The following 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?

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

There was a slight preference for the current outage hours of 9am-2pm compared to earlier and/or later

Preferred planned outage times option trade-off

■ Total ■ North Coast ■ Northern ■ Southern



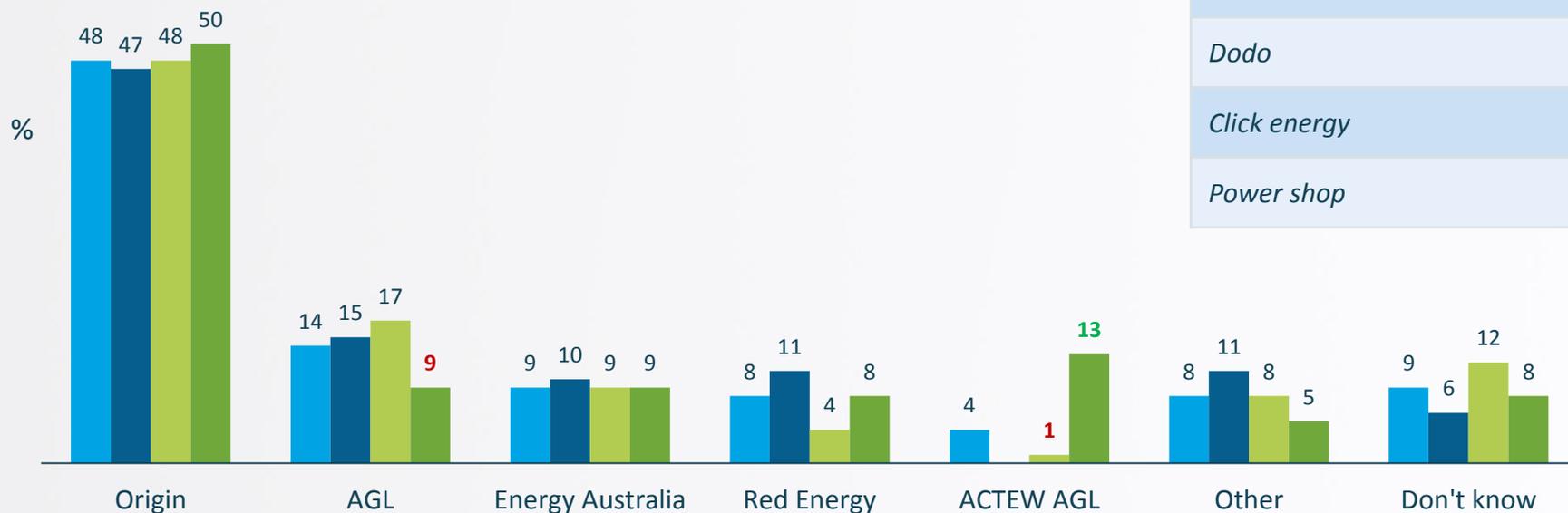
Q23. Do you think that Essential Energy should start work on some outages earlier (i.e. prior to 9am) provided there is prior notification and it is reasonable given factors such as weather? Which of the following options do you prefer?

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

Origin was the most commonly used retailer

Current electricity retailer

■ Total ■ North Coast ■ Northern ■ Southern



Other - examples

Alinta

Dodo

Click energy

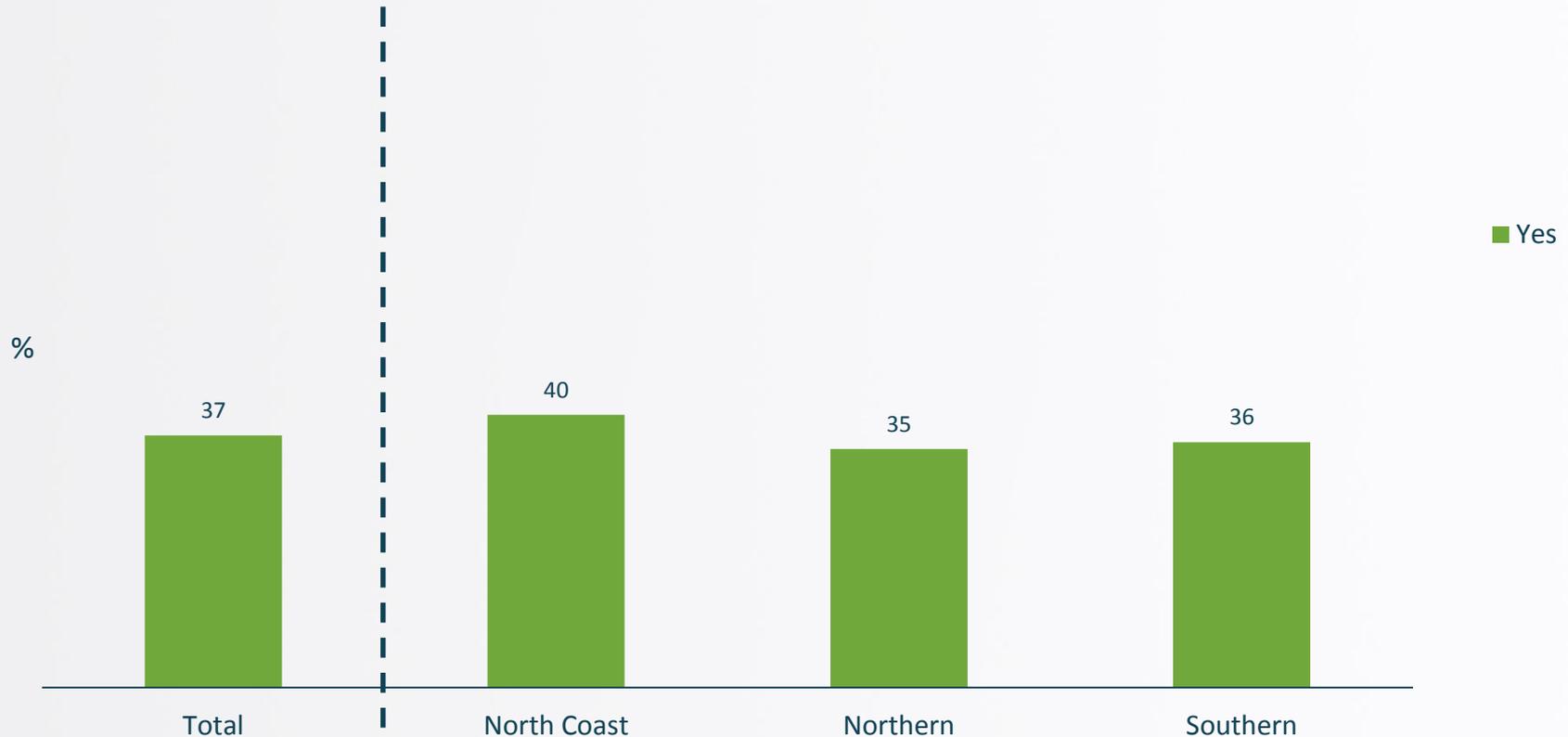
Power shop

Q24. Who is your current electricity retailer (i.e. who sends you the electricity bills)?

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

Only just over a third of residents were aware of the different price options or plans offered by their retailer

Awareness of different price options/plans offered by retailer



Q25. Essential Energy is not a retailer, however are you aware of any different price options or plans offered by your retailer?

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

A range of different options were mentioned, the most common being a discount for on time payment

Awareness of different price options/plans

Which options are you aware of?	Total (n=283) %	North Coast (n=112) %	Northern (n=86) %	Southern (n=86) %
Discount for paying on time / early	26	32	19	24
Different plans / discounts / cheaper NFI	12	14	8	15
Green energy NFI^	12	12	10	15
Discount for direct debit	8	10	3	11
Solar rebate / better solar rate	7	9	10	2
Discount for bundling gas and electricity	5	3	3	12
Pre purchase / predictable plan	5	3	3	8
Peak and off peak	4	4	5	5
Pensioner discount	3	4	2	3
Time of use	2	3	1	3
None	5	3	8	5
Other	10	9	13	9
Don't know	24	24	29	20

Q26. Which options are you aware of?

Base: Respondents who were aware of different options/plans (n=286); North Coast (n=112); Northern (n=86); Southern (n=86).

The majority of residents did not know which plans are available or which plan they are currently on

Awareness of retailer plans – Total summary
%



Q27. Which of the following do you think your retailer offers?

Q28. Which plan are you on?

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

Few residents were aware of different price options offered by Essential Energy

Awareness of different price options offered by EE

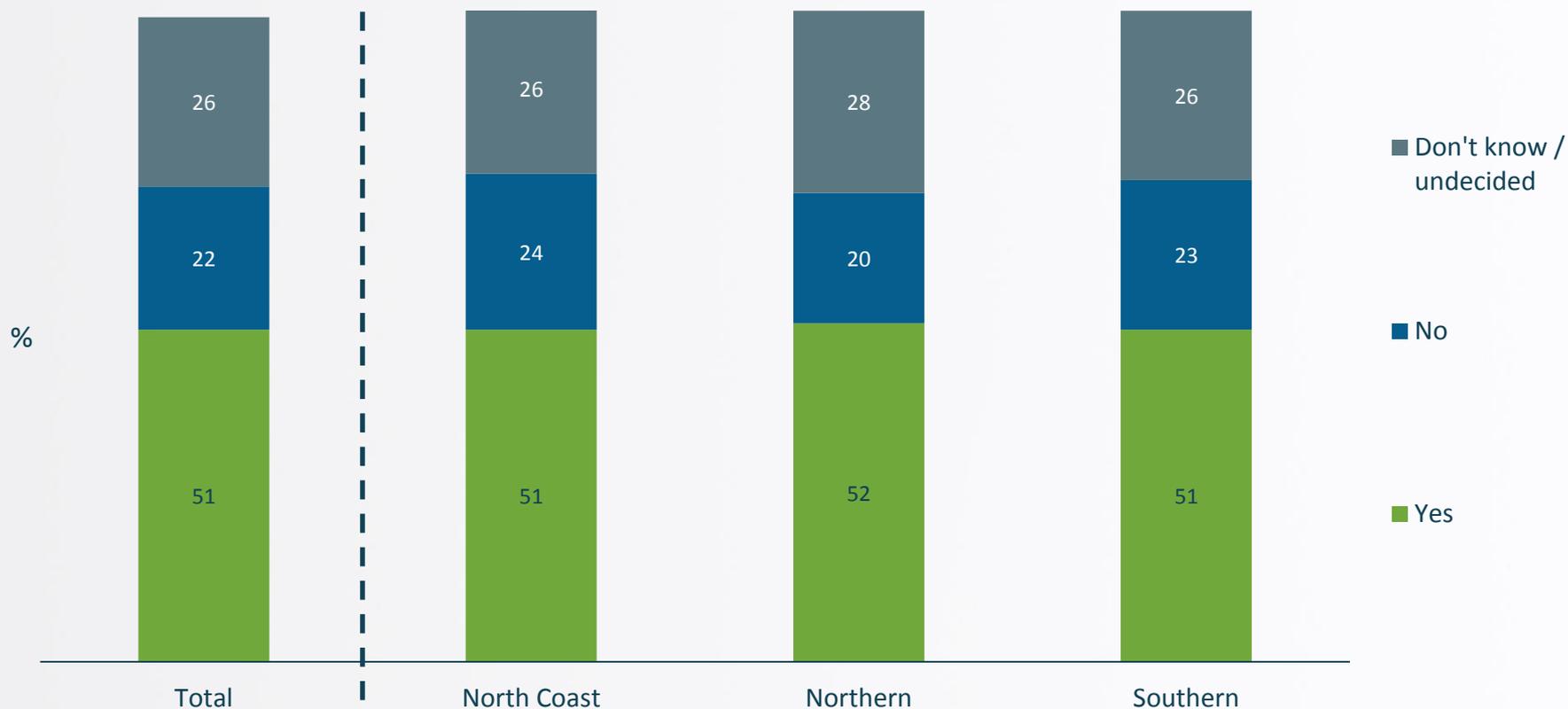


Q29. Are you aware of any different price options offered by Essential Energy (i.e. your distributor)?

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

Half of residents were in favour of splitting the bill into different components, around 1 in 5 were against

Incidence of wanting bill split into different components



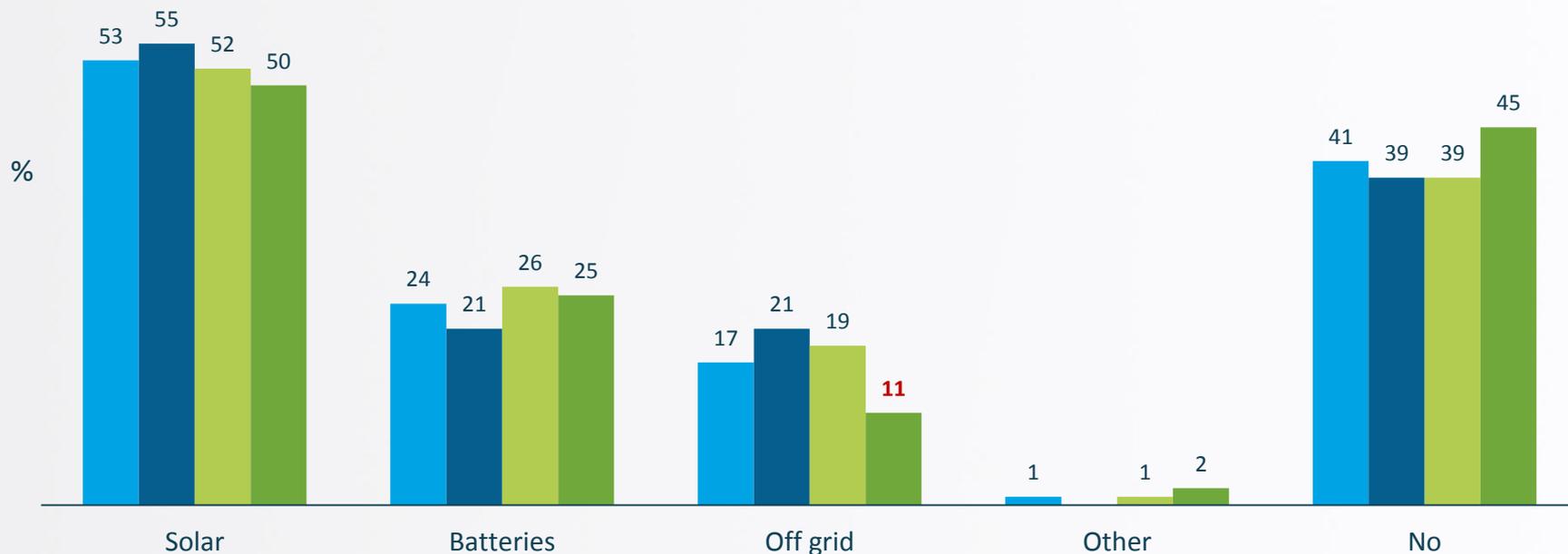
Q30. Would you like to see your bill split into different components e.g. generation, distribution and retail costs?

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

Half of residents had considered solar, one quarter batteries and less than 1 in 5 going off-grid

Consideration of new technologies for electricity

■ Total ■ North Coast ■ Northern ■ Southern

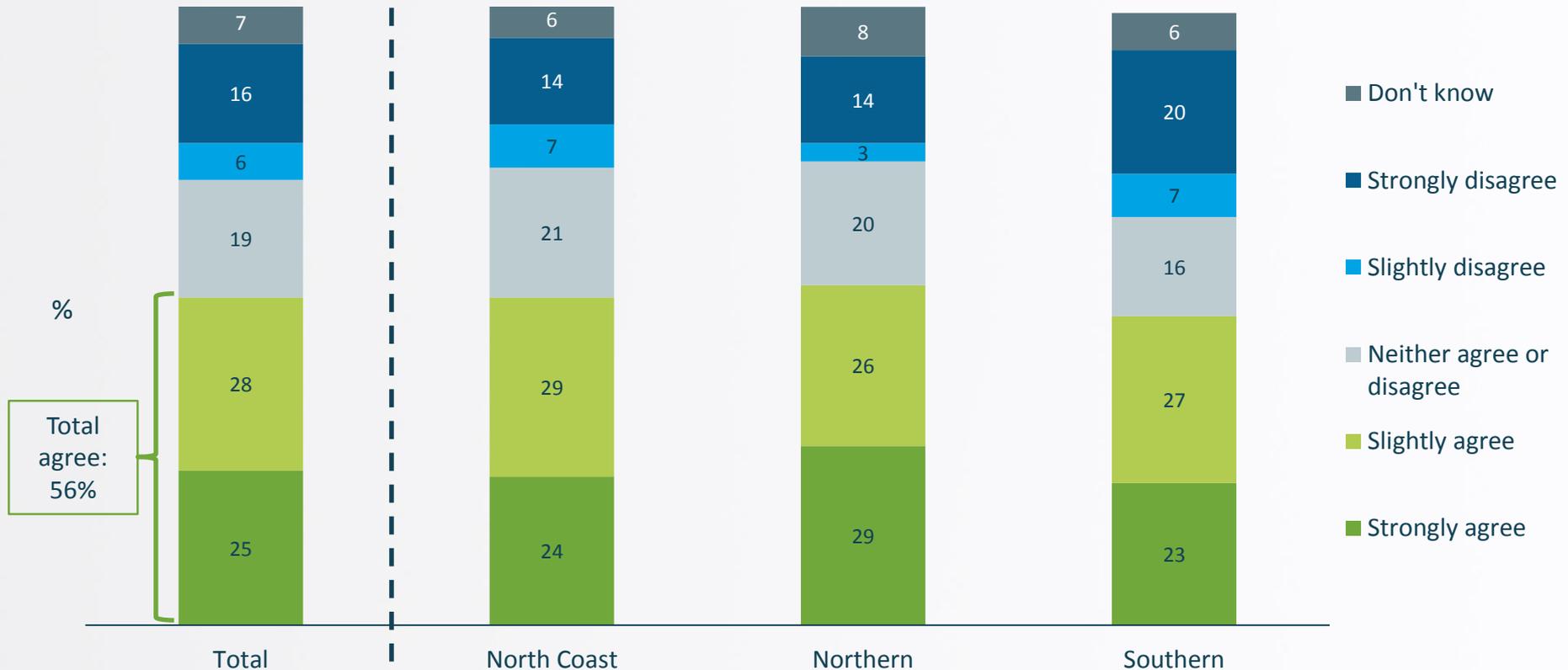


Q31. Have you considered adopting any of the following new technologies for your electricity?

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

Over half of residents were in favour of paying 10c more to improve reliability in areas with lower availability, 1 in 5 were against

Increase charges to improve reliability in areas with lower availability

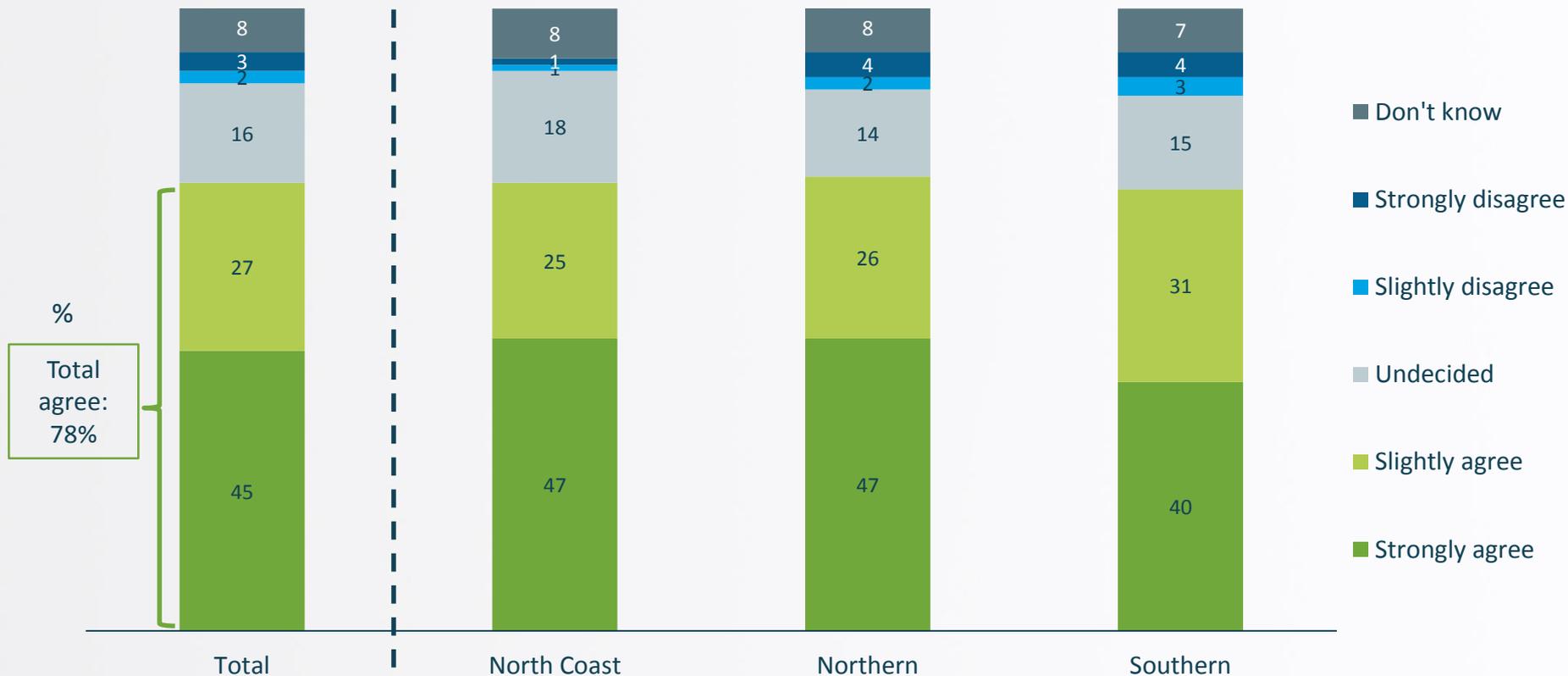


Q32. To what extent would you agree or disagree with Essential Energy increasing network charges for each customer by \$0.10 per quarter to complete the reliability improvements in areas with lower availability?

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

4 in 5 residents were in favour of the black spot program, with only 1 in 20 against it

Black spot program to target poles at risk of vehicle collision

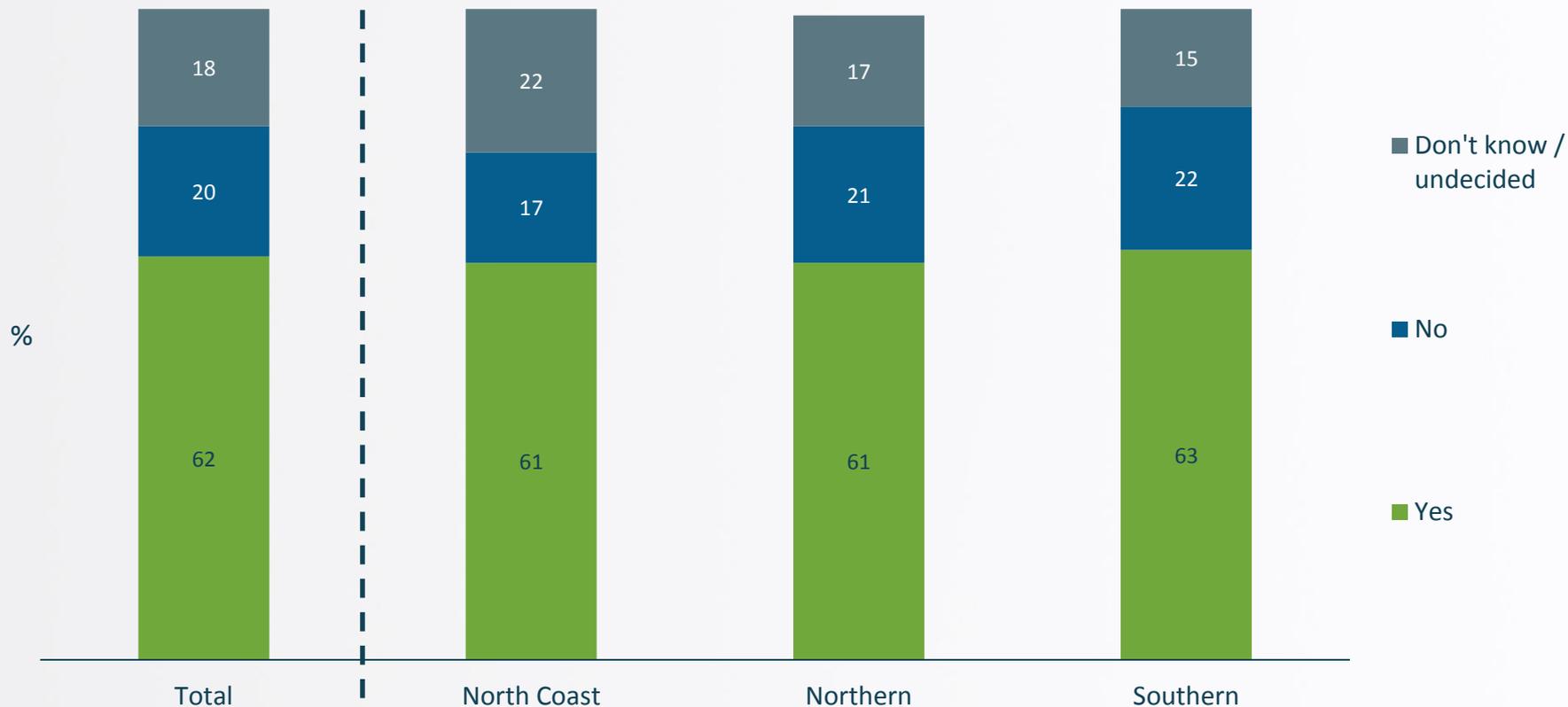


Q33. Do you agree or disagree with Essential Energy implementing a black spot program that targets poles which are at high risk of being involved in vehicle accidents?

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

After mentioning the cost, 3 in 5 residents were in favour of the program

Black spot program to target poles at risk of vehicle collision at a cost of \$0.06 per quarter

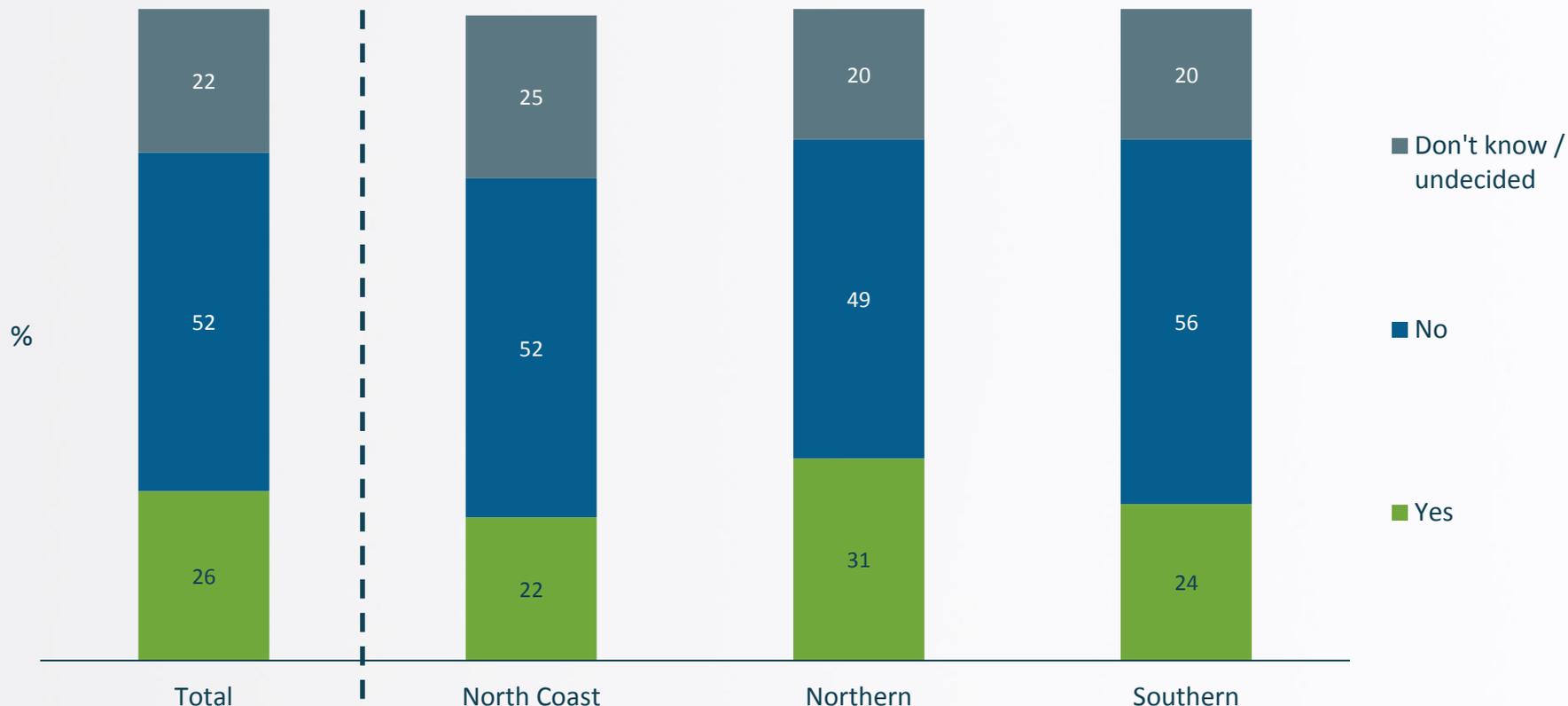


Q34. And would you support this strategy if it increased costs to customers an average of \$0.06 per quarter?.

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

A quarter of residents were in favour of improving the quality of communication, but half were opposed

Improve quality of communications at a cost of \$0.30 per quarter

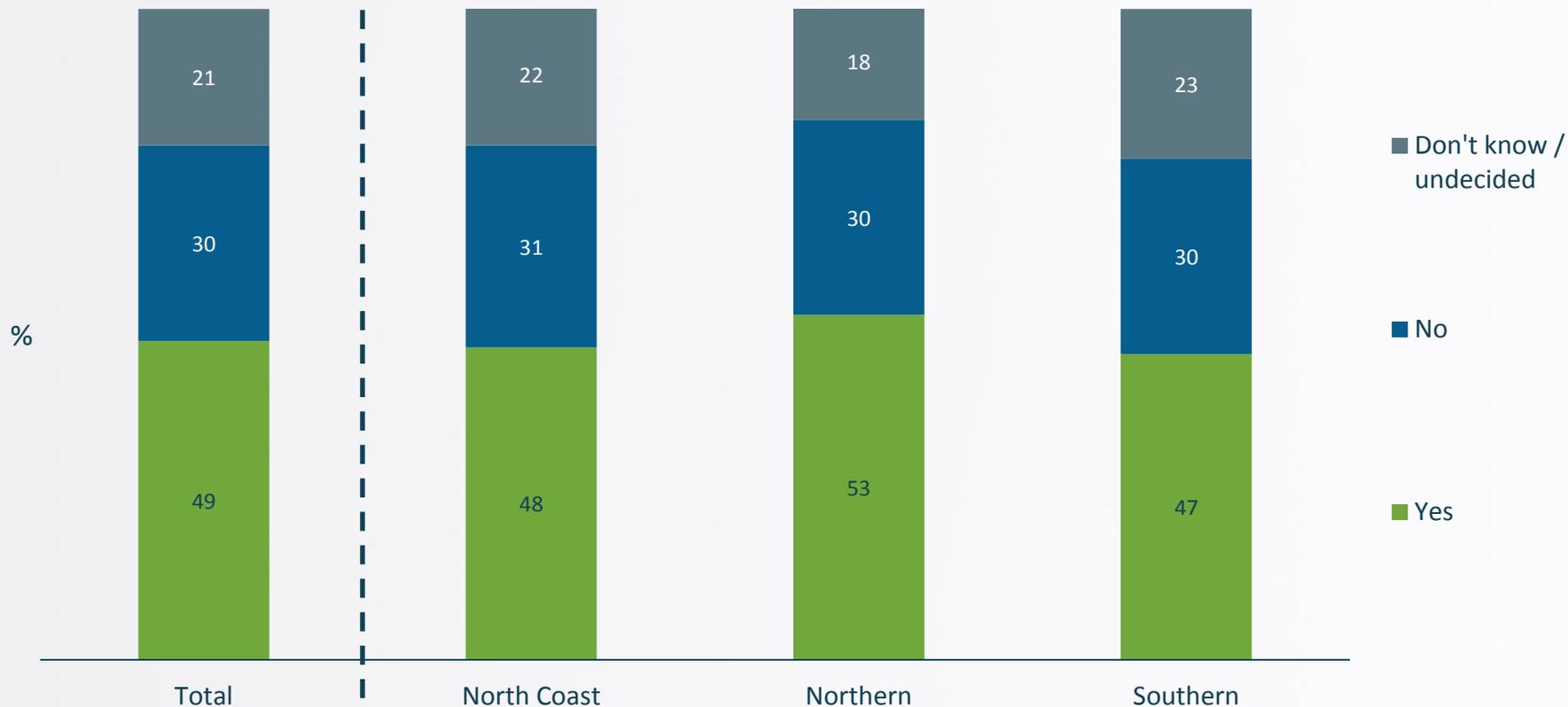


Q35. Should Essential Energy increase the amount they spend on communicating with customers to improve the quality of communication, at an increase in network charges to customers of about \$0.30 per quarter?

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

Half of residents agreed with investing in R & D, while close to a third disagreed

Invest in R & D to adapt to support new energy technologies

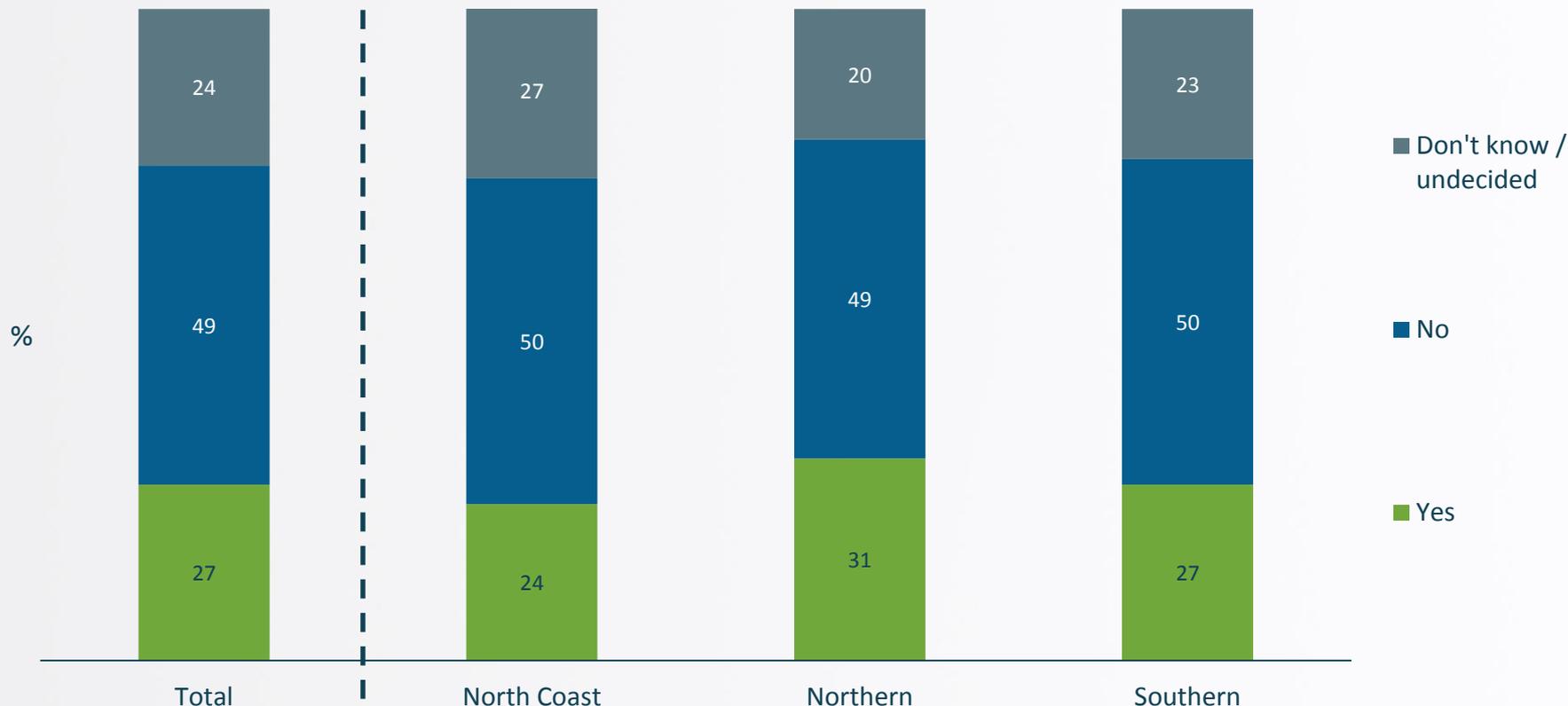


Q36. Should Essential Energy invest in research and development to ensure they can adapt to support new energy technologies, at an increase in network charges to customers of about \$0.30 per quarter?

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

A quarter of residents were in favour of hourly updates during outages, but half were opposed

Provide hourly updates during outages at a cost of \$0.35 per quarter



Q37. 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?

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

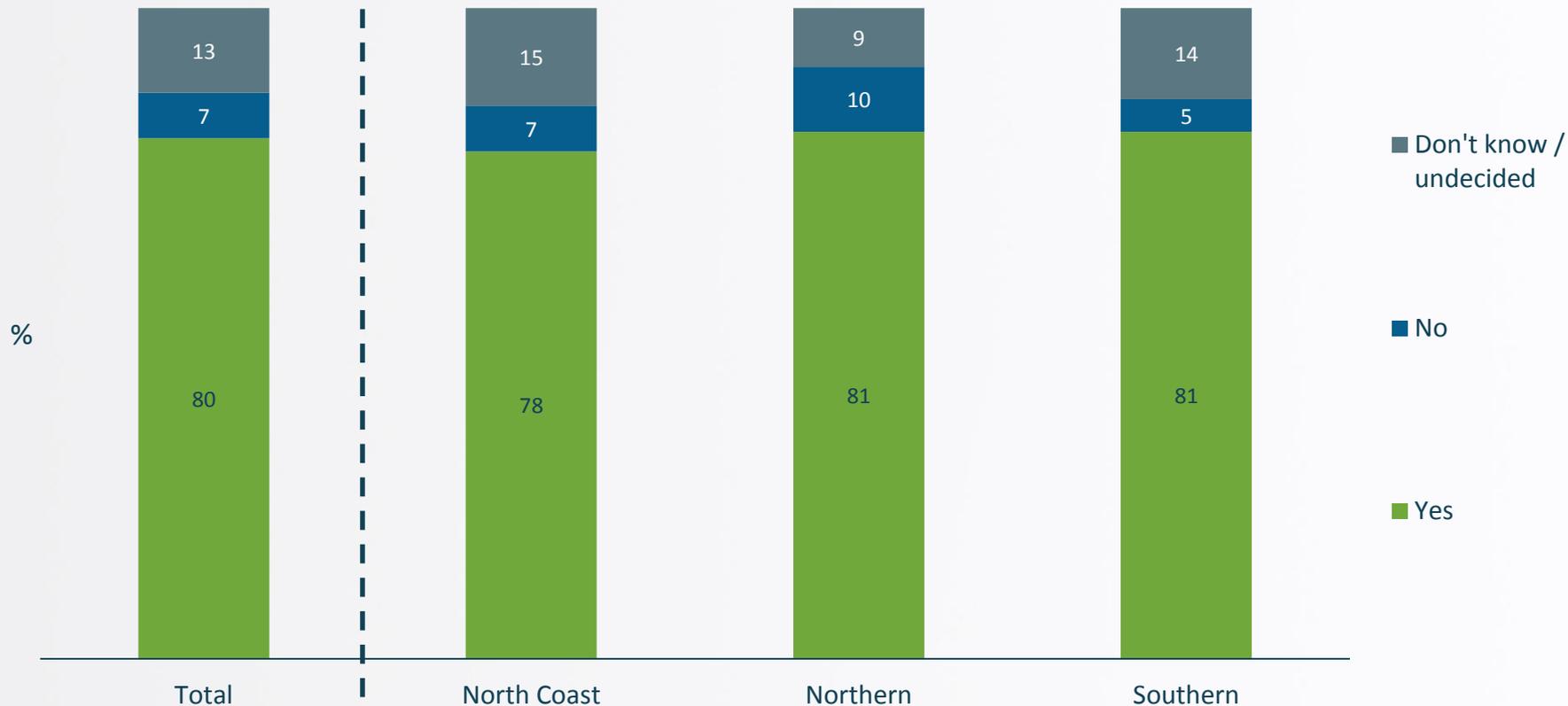


Engagement evaluation



4 in 5 residents agreed that these sorts of surveys are a good way for EE to obtain feedback

Agreement that surveys are a good source of feedback



Q38. Do you agree or disagree that surveys such as these are a good way of Essential Energy obtaining feedback from customers?

Base: All respondents (n=765); North Coast (n=253); Northern (n=258); Southern (n=254).

Of those who provided a comment, the most common were in regards to the rising price of electricity.

Further comments about electricity distribution	Total (n=229) %	North Coast (n=74) %	Northern (n=81) %	Southern (n=75) %
Prices are way too high/please do something about prices	22	25	25	15
Stop making justification for putting up prices/cover your own costs	10	14	5	10
These improvement works should be done at no cost to the consumer	6	12	3	3
Service/supply fees are ridiculous	6	9	1	7
Rural people are getting ripped off with fees	5	7	6	2
Good survey / thanks	5	8	3	3
Bills are hard to understand/it should be easier to make proper comparisons	4	2	1	11
Prices should be capped/subsidised	3	8	1	-
I haven't experienced outages/am happy enough	3	3	3	2
I didn't understand a lot of this survey/what are you talking about?	2	3	3	2
I never wanted power to be privatised/we were lied to/they said it would keep prices down	2	4	1	1
Look to the future/invest in renewable energy	2	4	1	1
Other	31	25	27	42
Don't know / nothing	20	14	28	18

Q30. What else should Essential Energy be doing?

Base: Respondents who said "yes" to Q27 (n=148)

Gender & age

	Total (n=765) %	North Coast (n=253) %	Northern (n=258) %	Southern (n=254) %
Gender				
Male	50	50	50	50
Female	50	50	50	50
Age				
18-34	26	25	27	25
35-54	29	25	31	32
55+	45	50	41	42

Q1. Are you...
Q2. Which of the following age groups best describes you?

Base: All respondents (n=765).

ATSI & LOTE

	Total (n=765) %	North Coast (n=253) %	Northern (n=258) %	Southern (n=254) %
ATSI				
Yes	4	3	9	2
No	95	97	91	98
Prefer not to say	1	<1	1	1
LOTE at home				
Yes	6	7	5	4
No, English only	94	93	95	96

Q3a. Are you of Aboriginal or Torres Strait Islander origin?
Q3b. Do you speak a language other than English at home?

Base: All respondents (n=765)

Location

Remoteness	Total (n=765) %	North Coast (n=253) %	Northern (n=258) %	Southern (n=254) %
Inner regional	72	91	52	69
Outer regional	16	9	26	16
Remote	11	-	21	16
Very remote	<1	-	2	-

Q4. What is the postcode of your home address?

Base: All respondents (n=765)