



# Closing the Loop Report – Phase 3 Engagement

Prepared for: Essential Energy

March 2018

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## Executive Summary

This report summarises the key findings from a series of three ‘closing the loop’ forums and an online and phone survey with residents across the Essential Energy network area who had been involved in the previous deliberative events. These form part of the phase 3 engagement plan for Essential Energy’s Regulatory Proposal for 2019-2024.

The forums took place in Wagga Wagga, Port Macquarie and Dubbo between 13 February – 26 February 2018 with n=61 people taking part in total.

The online and phone survey that took place amongst n=187 past forum attendees (from phases 1-2) who did not attend the close the loop forums in phase 3. They were sent the Customer Overview document prior to completing the survey.

### Main findings from the ‘closing the loop’ engagement

Overall there was a great deal of support for the outcomes presented by Essential Energy for their Regulatory Proposal for 2019-2024.

A summary of the support gained for each outcome within the forum and survey is summarised in the table below. We have combined the results from the forum with those from the survey, however we note that the participants within the forum were provided with more information in the form of presentations by Essential Energy so had a more informed opinion.

Without the benefit of more detailed information and the ability to ask for clarification, respondents within the surveys tended to be less likely to ‘strongly’ support the outcomes. This suggests that increased support could be garnered from the wider public with further information and education around some of the proposals, particularly regarding any potential benefits to customers. The separate results of the survey and forum are detailed in the body of the report.

**Table 1: Summary of ‘Strong’ and ‘Slightly’ Support for Outcomes from Forums and Survey**

| Outcome                                    | % Strongly/Slightly supporting<br>N=248 |
|--|---|
| Values                                     |   |
| ✓ Affordability                            | 95                                      |
| ✓ Reliability                              | 100                                     |
| ✓ Good customers service and communication | 96                                      |
| ✓ Encourage renewables                     | 88                                      |
| ✓ Bill transparency                        | 96                                      |

|  |    |
|--|----|
| ✓ Innovative Technologies  | 90 |
| <b>Safety Outcomes</b>   |    |
| ✓ Safety remains our number one priority   | 91 |
| ✓ Black spot program will move poles in specific areas to reduce traffic accidents.  | 88 |
| ✓ Replacing old cross arms with new technology which is storm resistant to reduce wires falling down.                            | 99 |
| ✓ Continuing our safety education programs.  | 94 |
| <b>Affordability Outcomes</b>  |    |
| ✓ Proposal applies the Rate of Return Guideline from independent regulator   | 83 |
| ✓ Investing in technology that will improve efficiency and lower operating and capital spend                                     | 96 |
| ✓ Seeking partnership to help support vulnerable customers   | 91 |
| ✓ Specific vegetation removal where appropriate and selective replanting   | 96 |
| ✓ Move to 7 day streetlight repairs (from 4) to improve scheduling efficiency + greater use of LED technology                    | 87 |
| ✓ Greater use of LED technology  | 95 |
| <b>Reliability Outcomes</b>  |    |
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| ✓ Trial alternate start and finish times for planned outages   | 89 |
| ✓ Increase to our STPIS revenue at risk, from 2.5% to 5% to strengthen the accountability and incentives applied to our business | 71 |
| <b>Customer Service and Communication Outcomes</b>   |    |
| ✓ Proposal includes communications and engagement programs   | 74 |
| ✓ Resources to improve awareness and customer understanding of the role Essential Energy plays in delivering electricity         | 94 |
| ✓ Continue to be involved in and support the local community   | 98 |
| ✓ Collaborating with land owners to improve vegetation management  | 97 |
| ✓ Outage notification schedule and system remains, and availability of interval meter data to be improved                        | 90 |
| <b>Innovation and Renewables Outcomes</b>  |    |

|   |    |
|---|----|
| ✓ Proposal includes expenditure on research and development.  | 83 |
| ✓ Trialing new technologies, including microgrids and small-scale renewables, that will improve efficiency and lower network expenses   | 93 |
| <b>Pricing Outcomes</b>   |    |
| ✓ Off peak charging available and related services piloted.   | 90 |
| ✓ Due to lack of popularity, we have only increased fixed charges by \$5 p.a., with offsetting reductions in variable charges which allows slower progression towards cost-reflective pricing | 76 |
| ✓ No locational or seasonal pricing.  | 87 |
| ✓ Network charging plans updated, with opt-out for all residents and small business.  | 87 |
| ✓ New default assignment for customers installing new innovative technologies to encourage efficient use.   | 87 |
| ✓ Microgrids will be piloted, with pricing trials undertaken and policy propositions.   | 81 |
| ✓ Education on our network charges enhanced.  | 95 |



## Background and Objectives

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### Background

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. The AER is the independent, national regulator of public and privately owned electricity networks. It determines the funding for Essential Energy's capital and operating programs and the funding needs for jobs to undertake the work. This regulatory proposal is due to be submitted for the 2019-24 period by January 2018.

Essential Energy has an underlying philosophy of placing customers and stakeholders at the centre of everything they do. In particular, the organisation has a specific commitment to engaging with stakeholders and including their views and opinions in the formulation of future business planning. In this context, it is envisaged that a significant programme of stakeholder engagement will be conducted to contribute to the development of the 2019 - 2024 regulatory proposal.

A considerable body of work has been carried out within the broad Australian energy marketplace in developing frameworks and guidelines for stakeholder engagement and consultation. At the highest level, there are broad requirements set out in the National Electricity Rules and at the next level the AER has formulated a set of guidelines for Network Service Providers. The Energy Networks Association, in collaboration with the CSIRO, has produced an excellent and very comprehensive handbook on customer engagement and Essential Energy themselves have developed a Stakeholder Engagement Framework.

### Objectives

The objective of the project as a whole was to develop and implement a stakeholder engagement plan for Essential Energy's 2019-24 regulatory proposal. This 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.

## Engagement plan

The whole engagement plan occurred from April 2017 through to March 2018 and consisted of three phases. For phases 1 and 2 there were:

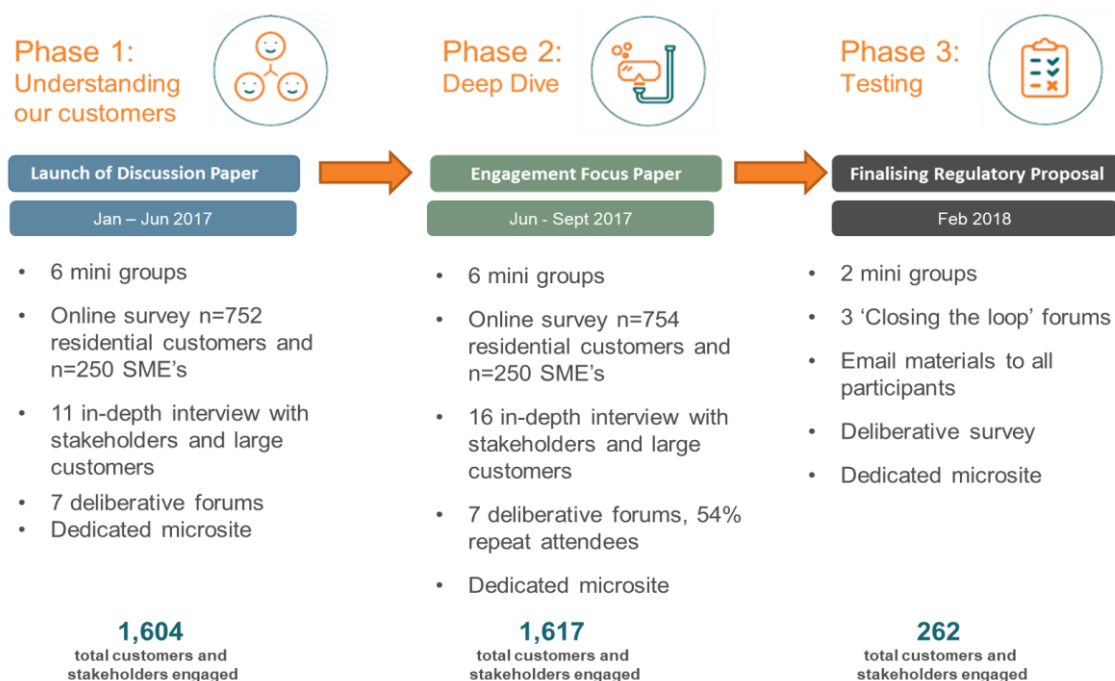
- 6 mini group discussions to test the discussion papers
- Two online surveys with a representative sample of 750 residential customers and 250 small to medium businesses.
- 11-16 in-depth interviews with large customers and stakeholders.
- Seven deliberative community forums with residential customers across the network area.

There was also a dedicated website available for the whole engagement programme for people to visit to ask questions, provide feedback and complete a short survey at: <http://essentialenergy.com.au/yoursay>

In phase 3 there was:

- 2 mini groups to test the materials
- An online and phone survey with those who had been involved in the deliberative forums in phases 1-2 and who were not attending the Closing the Loop forums in phase 3
- 3 Closing the Loop forums

### Engagement plan for the 2019-2024 Regulatory Proposal



## Methodology

This report represents the findings of Phase 3 forums and the online/phone survey.

### Forums

A total of n=61 residents of the Essential Energy region who had attended Phase 1 and/or Phase 2 forums attended the Closing the Loop forums.

**Table 2: Number of Participants at the Closing the Loop Forums**

| Region         | (n=61) |
|----------------|--------|
| Port Macquarie | 20     |
| Wagga Wagga    | 23     |
| Dubbo          | 18     |

Participants were seated at round tables and taken through key elements of the Essential Energy's 2019-24 Draft Regulatory Proposal by Senior Executives of Essential Energy.

Participants spent most of the time working on tables in small groups each with a table facilitator, filling out worksheets and discussing their reaction to the outcomes in the Proposal. The table facilitators from Woolcott Research guided the discussions and recorded the main points. The agenda is included in the appendix.

Woolcott Research provided a Lead Facilitator, who chaired the forums, and three table facilitators for each of the forums.

After each event the data from the worksheets was collated and analysed.

### Recruitment

Recruitment for the forums took place up to two-three weeks before each forum. Those who attended the first and/or second phase of forums were invited back to participate in a 'Close the Loop' forum.

### Online/Phone Survey

The participants who were unable to attend the forum were emailed the Customer Overview document and a link to an online survey (where email addresses were available). Those who did not

respond to the email or who did not have an email address were then telephoned and asked to take part in a CATI survey.

The survey instrument mirrored the questions asked in the forums.

A total of n=187 respondents was achieved across both surveys with the following distribution by location:

**Table 3: Number of Survey Respondents by Location**

| Region         | Total<br>(n=187) |
|----------------|------------------|
| Port Macquarie | 36               |
| Wagga Wagga    | 18               |
| Dubbo          | 24               |
| Tamworth       | 39               |
| Broken Hill    | 13               |
| Goulburn       | 31               |
| Cootamundra    | 26               |

Results of the forum and online/phone surveys are presented on the following pages in the form of graphs with accompanying commentary.

## **Detailed findings from the Closing the Loop forums and survey**

## 1. Support for the Focus of the Proposal

### 1.1 Customer Values (Forum Results)

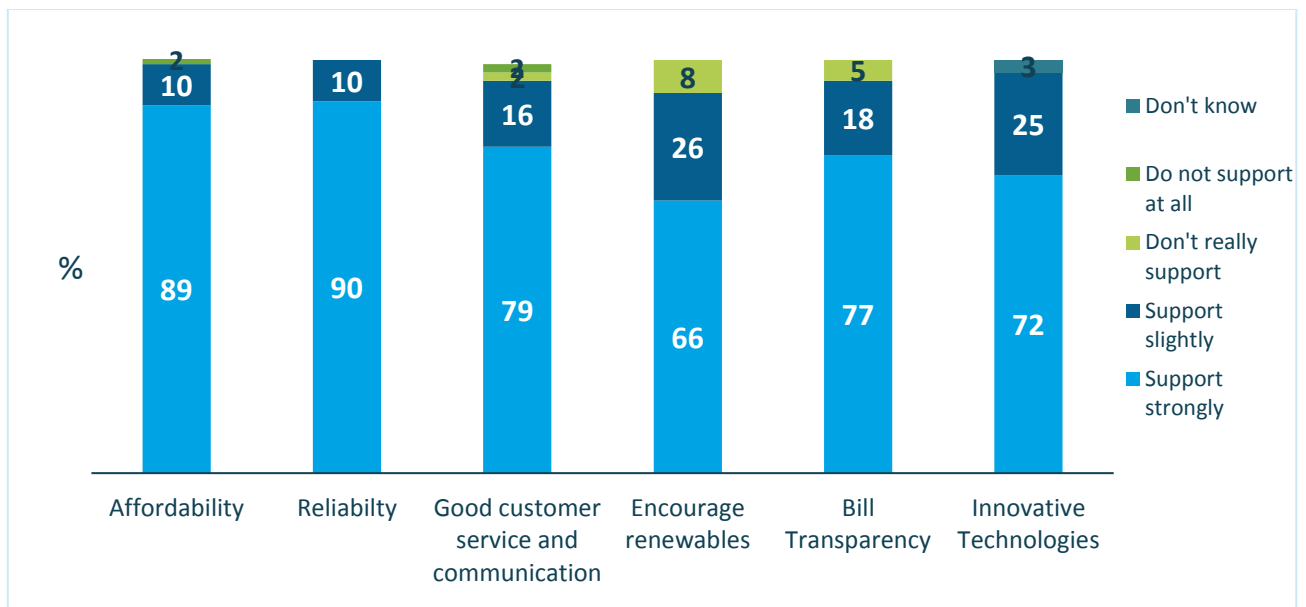
At the commencement of the forums, participants were presented with information that reminded them of Essential Energy's role in electricity supply, and were informed of the purpose of engaging with the community, i.e. the regulatory proposal required by the Australian Energy Regulator.

Essential Energy also presented what they had heard from customers in Phase 1 and 2 regarding the values that customers believed to be important from an electricity distributor.

Participants were then asked the extent to which they personally supported the values for focus within the Regulatory Proposal. There was overwhelming support for all the areas of focus, particularly affordability (99% support) and reliability (100% support).

*"We strongly support them all. It is what we told them last time." Dubbo*

Figure 1: Support for Customer Values (Forum Results)



We would now like you to indicate the extent to which you personally support each of Essential Energy's outcomes  
Base: Total Participants (n=61) Wagga Wagga (n=23) Port Macquarie (n=20) Dubbo (n=18)

The two areas where there was a slightly lower level of support were encouraging renewables (66% strongly support; 26% slightly support) and innovative technologies (72% strongly support; 25% slightly support). When asked specifically the reasons for the lower level of support, there were a

few participants that commented that alternative generation sources such as solar and battery storage were expensive at the moment and many were not keen to personally outlay money for more innovative technology or renewables. There were also some differences in views regarding the various types of renewable sources.

*"I only slightly supported renewables because they are expensive." Port Macquarie*

*"Solar panels are a good idea, but I don't support wind farms." Wagga*

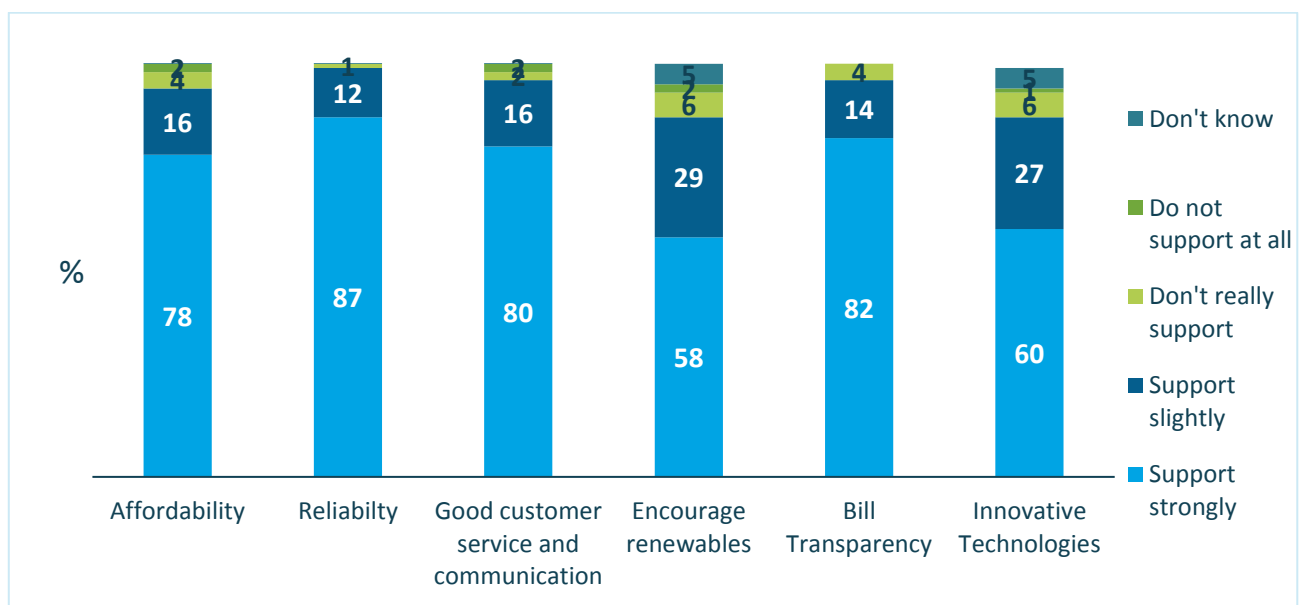
There was also slight concern that the introduction of innovative technologies would impact staff levels and result in the loss of jobs in the electricity industry.

*"How will the impact of this be on employment? You don't want to sacrifice staff/communities/small towns." Port Macquarie*

## 1.2 Customer Values (Survey Results)

Respondents were asked the same question in the survey with a similar pattern of responses. Reliability was supported most strongly with 99% support overall. Affordability was supported slightly less strongly than in the forums but still had 94% support. Although they still had a strong level of support, encouraging renewables (58% support strongly, 29% support slightly) and innovative technologies (60% support strongly, 27% support slightly) were supported less strongly.

**Figure 2. Customer Values (Survey Results)**







We would now like you to indicate the extent to which you personally support each of Essential Energy's outcomes

Base: Total Participants (n=187) Wagga Wagga (n=18) Port Macquarie (n=36) Dubbo (n=24) Tamworth (n=39) Broken Hill (n=13) Goulburn (n=31) Cootamundra (n=26).

## 2. Support for Safety Outcomes

### 2.1 Support for Safety Outcomes (Forum Results)

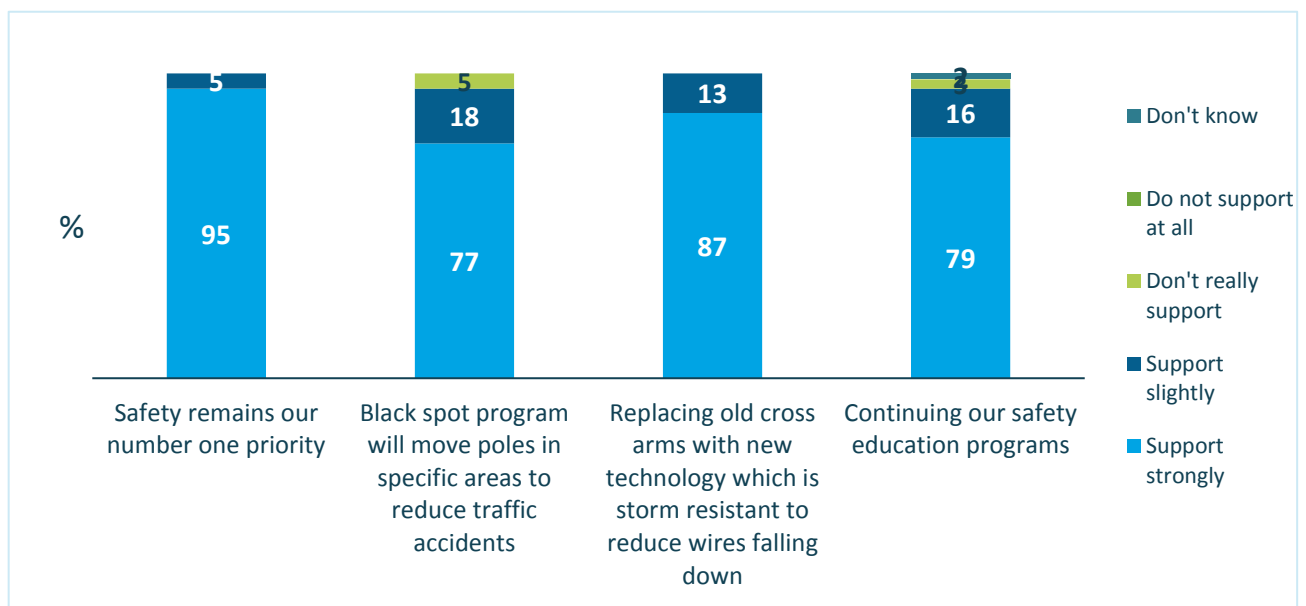
#### Safety

| What we heard from customers   | Outcome   | Estimated bill impact per quarter |
|--|---|-----------------------------------|
|  > Customers expect safety to be fundamental to everything we do.                 | ✓ Safety remains our number one priority.   | No impact                         |
|  > Poles in high traffic accident locations should be moved (Black Spot Program). | ✓ Black spot program will move poles in specific areas to reduce traffic accidents.                   | Increase \$0.06                   |
|   | ✓ Replacing old cross arms with new technology which is storm resistant to reduce wires falling down. | No impact                         |
|   | ✓ Continuing our safety education programs.   | No impact                         |

Following the presentation on the safety outcomes, participants were asked what their level of support was for each. Again, there was a very high level of support for all of the outcomes.

*"Safety is important so you have to agree with them all." Port Macquarie*

**Figure 3: Support for Safety Outcomes (Forum Results)**



We would now like you to indicate the extent to which you personally support each of Essential Energy's outcomes  
Base: Total Participants (n=61) Wagga Wagga (n=23) Port Macquarie (n=20) Dubbo (n=18)



The two outcomes that were still extremely well supported, although to a lesser extent, were the 'Black Spot program will move poles in specific areas to reduce traffic accidents' and 'continuing our safety education programs'. Both these outcomes had around 5% of participants saying they did not support them. The key reason amongst those not supporting the black spot program was the issue of cost and the degree to which moving the pole would in fact, reduce accidents. Those in support argued that the cost was worth it given it was about saving lives.

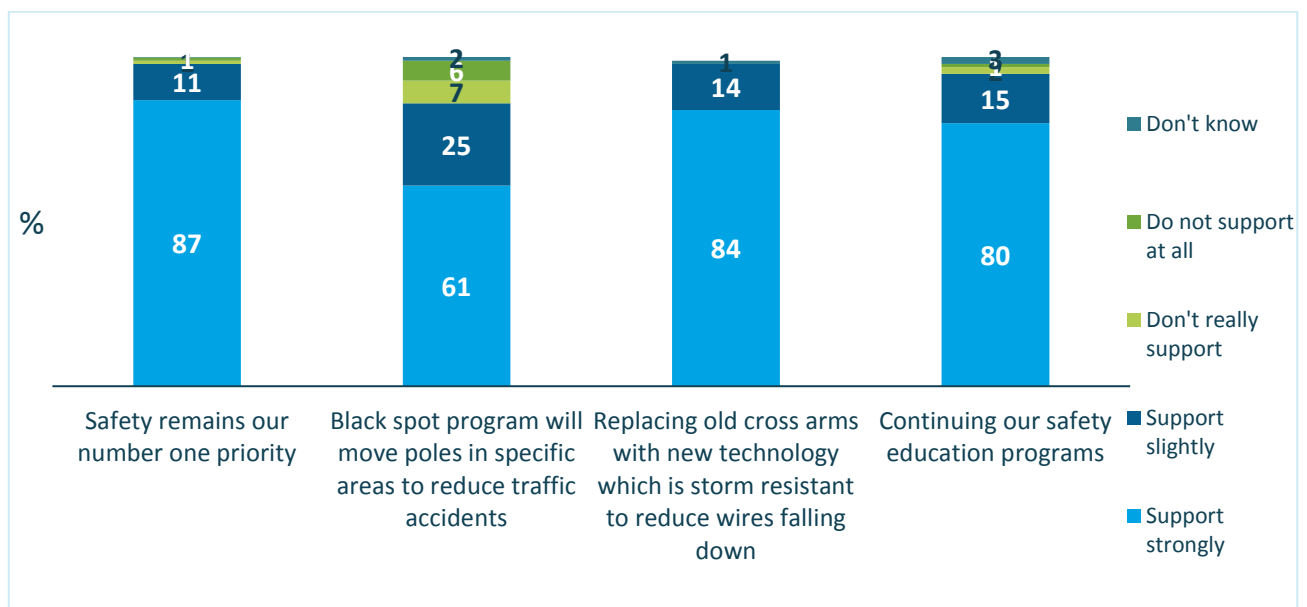
*"It is a small price to pay for safety." Dubbo*

Regarding the safety education programs, some participants questioned why it was Essential Energy's responsibility to spend money on educating people. Their opinion was that customers should seek to educate themselves, by reading the Essential Energy website or other sites, rather than the organisation paying to 'push' information to customers.

## 2.2 Support for Safety Outcomes (Survey Results)

The survey produced similar findings to the forums with most support being provided for safety remaining Essential Energy's number one priority (87% supported strongly). There was less support for the black spot program although there was still 86% support overall for this outcome.

**Figure 4: Support for Safety Outcomes (Survey Results)**



We would now like you to indicate the extent to which you personally support each of Essential Energy's outcomes

Base: Total Participants (n=187) Wagga Wagga (n=18) Port Macquarie (n=36) Dubbo (n=24) Tamworth (n=39) Broken Hill (n=13) Goulburn (n=31) Cootamundra (n=26)

### 3. Support for Affordability Outcomes

#### 3.1 Support for Affordability Outcomes (Forum results)



## Affordability

| What we heard from customers   | Outcome  | Estimated bill impact per quarter                 |
|--|--|---|
| <ul style="list-style-type: none"> <li>&gt; Customers see our distribution costs are good value for money at around 37% of a bill.</li> </ul>                                  | ✓ Proposal applies the Rate of Return Guideline from independent regulator.                                    | No impact   |
| <ul style="list-style-type: none"> <li>&gt; Affordability is important, but needs to be balanced with efficient services.</li> </ul>   | ✓ Investing in technology that will improve efficiency and lower operating and capital spend.                  | By 2023-24 customers will save \$9.11             |
| <ul style="list-style-type: none"> <li>&gt; Equity and fairness is important</li> </ul>  | ✓ Seeking partnership to help support vulnerable customers.  | No impact   |
| <ul style="list-style-type: none"> <li>&gt; Remove inappropriate vegetation and selectively replant.</li> <li>&gt; Safely stacking cut vegetation is not supported.</li> </ul> | ✓ Specific vegetation removal where appropriate and selective replanting.                                      | Reduce by \$0.49                                  |
| <ul style="list-style-type: none"> <li>&gt; To reduce costs, customers supported longer timeframes for streetlight repairs.</li> </ul>   | ✓ Move to 7 day streetlight repairs (from 4) to improve scheduling efficiency + greater use of LED technology. | Average of 10% reduction in streetlighting prices |

Participants were presented with the affordability outcomes and then asked to fill in their worksheets to indicate their level of support for each, before discussing the reasons for their answers.

Support varied by outcome. There was a high level of support for 'greater use of LED technology' (99% support) and 'investing in technology that will improve efficiency and lower operating and capital expenditure' (98% support). Generally participants were in favour of moving to LED lighting on the basis that it was seen to be brighter, more efficient and more cost effective.

*"LED is a good idea, more efficient than anything else, brighter." Port Macquarie*

*"They need to keep up with technology – why don't they keep the \$9 savings and invest more in technology?" Wagga Wagga*

*"LED technology is a no brainer – they should definitely change to these for street lighting." Wagga Wagga*

Participants in a comparative sense were less supportive for ‘moving to a 7 day streetlight repair cycle’ (25% slight support) and ‘proposal applies the Rate of Return guideline from the independent regulator’ (23% slightly support).

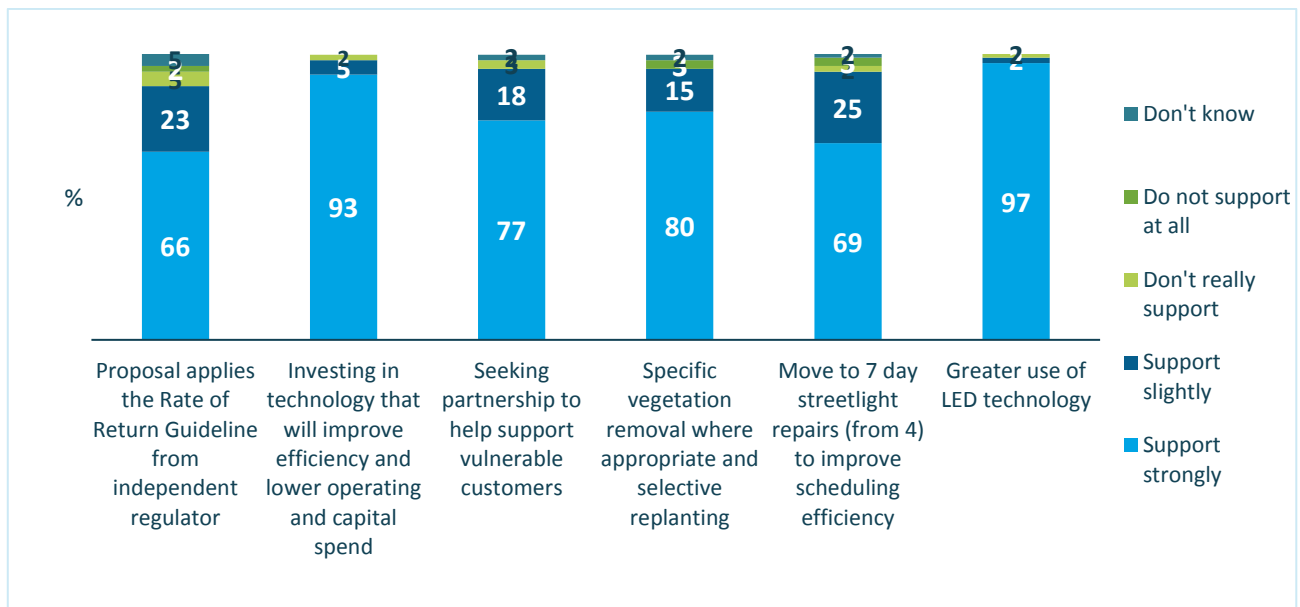
Whilst most supported the move to a seven day street light repair cycle as they felt that this made sense from a cost perspective, others were slightly concerned about the safety aspects in some locations of having a street light out for an extended period of time.

*“Leaving a street light out for 7 days makes sense to me.” Port Macquarie*

*“I agree with the reducing street lighting repairs, but in my street there is only one street light and I live in a remote area so if the light isn’t working it is a bit of a safety issue.” Wagga Wagga*

*“7 days is too long from a safety point of view, they are not overly abundant now!” Port Macquarie*

**Figure 5: Support for Affordability Outcomes (Forum Results)**



We would now like you to indicate the extent to which you personally support each of Essential Energy’s outcomes  
Base: Total Participants (n=61) Wagga Wagga (n=23) Port Macquarie (n=20) Dubbo (n=18)

The lower level of support for applying the Rate of Return guideline from the independent regulator, emerged due to a lack of understanding of what it meant by some participants (5% don’t know), whilst others felt that Essential Energy should stand up for what they think is fair and not accept what the AER sets.

*“I don’t think EE should just agree with the AER. They shouldn’t just roll over.” Wagga Wagga*

Seventy seven per cent (77%) of participants supported the 'seeking of partnerships to help vulnerable customers', with a further 18% indicating slight support. There was universal agreement during the discussions that vulnerable people needed support, however within the presentation, vulnerable businesses were also mentioned, which participants were less supportive of. Within the discussion there was also some question over who Essential Energy would be partnering with and whether the government needed to also play a role in supporting vulnerable customers.

*"Don't agree with someone who runs a business that is struggling being helped out." Wagga Wagga*

*"Seeking partnership to help vulnerable customers is really important. I know people who are aboriginal or older who go without heating because of the cost." Dubbo*

*"Didn't understand the partnerships – who are they partnering with?" Port Macquarie*

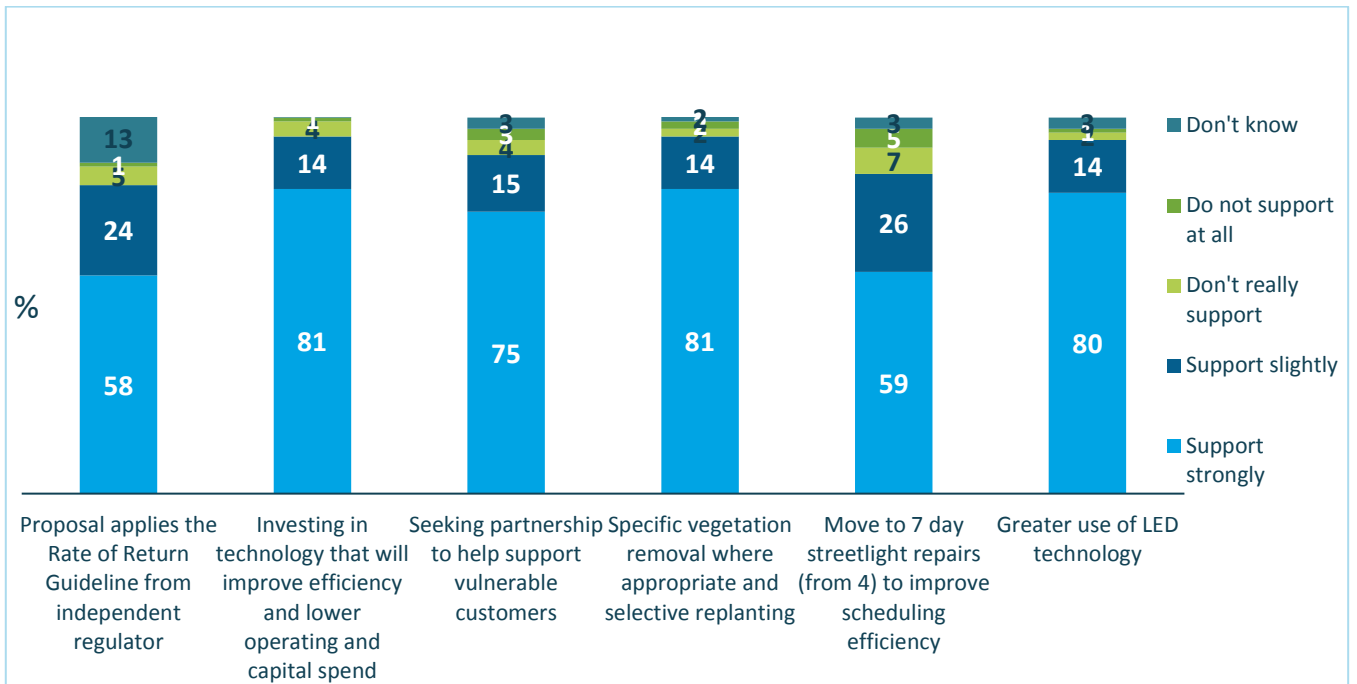
The area of vegetation generated some conversation amongst participants. Whilst many supported the 'removal where appropriate and selective replanting' (80% strongly support), some participants were concerned about cutting down really old trees and replanting with younger ones.

*"They (old trees) are part of Wagga so should be preserved." Wagga Wagga*

### 3.2 Support for Affordability Outcomes (Survey results)

There was a similar pattern that emerged from the survey, with 'Proposal applies the Rate of Return Guideline from independent regulator' and 'move to 7 day streetlight repairs (from 4) to improve scheduling efficiency' being less supported than the other outcomes (58% and 59% supported strongly respectively, with 24% and 26% supporting slightly respectively).

**Figure 6: Support for Affordability Outcomes (Survey Results)**



We would now like you to indicate the extent to which you personally support each of Essential Energy's outcomes




Base: Total Participants (n=187) Wagga Wagga (n=18) Port Macquarie (n=36) Dubbo (n=24) Tamworth (n=39) Broken Hill (n=13) Goulburn (n=31) Cootamundra (n=26)

## 4. Support for Reliability Outcomes

### 4.1 Support for Reliability Outcomes (Forum Results)

The following reliability outcomes were presented to participants at the forums by Essential Energy. They were then asked to indicate their level of support for each.

## Reliability

| What we heard from customers  | Outcome   | Estimated bill impact per quarter |
|---|---|-----------------------------------|
|  <ul style="list-style-type: none"> <li>&gt; Vast majority view our network service as reliable.</li> </ul>  | <ul style="list-style-type: none"> <li>✓ Proposal improves reliability by 25% in our worst-performing areas.</li> </ul>   | Increase \$0.10                   |
|  <ul style="list-style-type: none"> <li>&gt; Limited support for planned outages starting earlier or finishing later.</li> </ul>  | <ul style="list-style-type: none"> <li>✓ Trial alternate start and finish times for planned outages.</li> </ul>   | No impact                         |
|  <ul style="list-style-type: none"> <li>&gt; Equity and fairness is important, with concern for those with very low reliability.</li> <li>&gt; Little understanding of Service Target Performance Incentive Scheme (STPIS) or support for increasing our STPIS revenue.</li> </ul> | <ul style="list-style-type: none"> <li>✓ Increase to our STPIS revenue at risk, from 2.5% to 5% to strengthen the accountability and incentives applied to our business.</li> </ul> |                                   |

The outcome gaining the greatest level of support in this category was the ‘proposal to improve reliability by 25% in the worst performing areas’. Eighty five per cent (85%) strongly supported this outcome, and a further 15% supported it slightly.

Participants within the forum were overwhelmingly in favour of helping those in the worst performing areas and many felt pleased with themselves that they had contributed to Essential Energy’s decision to focus on these customers. There was also strong support for the 10c a quarter impact on the basis of it being a worthy contribution.

*“It’s great that we’ve been able to contribute to them making improvements to the worst served customers. We have a social responsibility with that 10c to support them.” Dubbo*

There was also support for the ‘trial alternate start and finish times for planned outages’, with 61% strongly supporting and 34% of participants slightly supporting this outcome. Many agreed that trialling alternate start and finish times would be beneficial for businesses, and perhaps shift

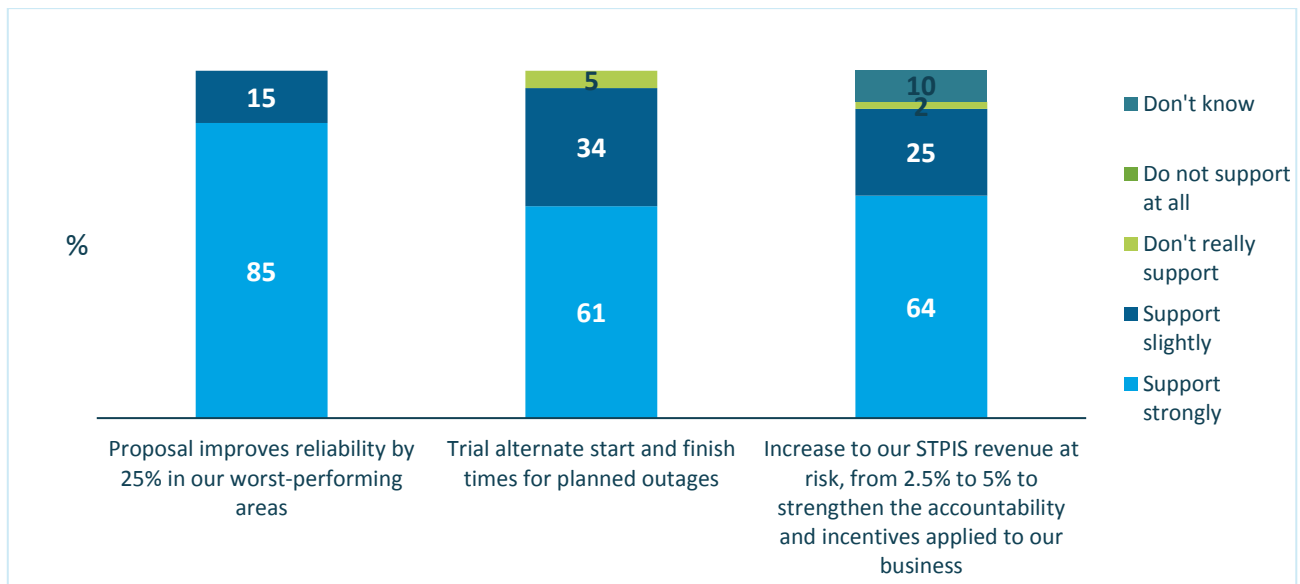
workers, whose peak times would be out of sync with the majority. However a small proportion suggested they preferred set times and therefore only 'slightly supported' the outcome.

*"Alternate start and finish times of outages makes sense." Dubbo*

*"I only slightly support the trial start and finish times, I prefer it to be set times." Port Macquarie*

*"Trial alternate start and finish times for planned outages I didn't support as strongly. It could affect the wrong people. I understand the economics of maximising the labour but it could potentially impact families, young kids, and the elderly. There is a risk there." Dubbo*

**Figure 7: Support for Reliability Outcomes (Forum Results)**



We would now like you to indicate the extent to which you personally support each of Essential Energy's outcomes  
Base: Total Participants (n=61) Wagga Wagga (n=23) Port Macquarie (n=20) Dubbo (n=18)

'Increasing the STPIS revenue at risk from 2.5 to 5% to strengthen the accountability and incentives applied to the business' was supported by 89% (64% strongly supported; 25% slightly supported), however it did generate a great deal of discussion, with some finding this particular outcome difficult to grasp (10% did not know if they supported it).

Some called for further explanation within the forum, and questioned the motivation behind Essential Energy's decision to make "life harder for themselves". Whilst they could see the upside for Essential Energy if they performed over the target, participants were concerned that this may be quite difficult to achieve.

*"The STPIS I don't understand. Who gets the money?" Port Macquarie*

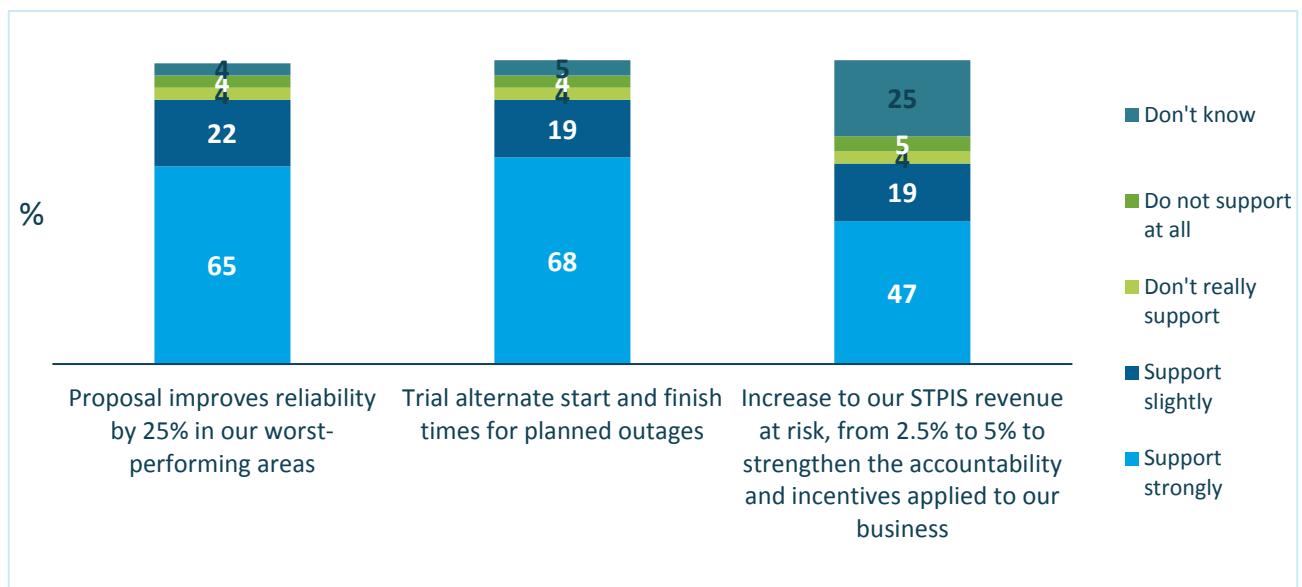
*"Increasing the STPIS will make them more accountable. Everyone should have reliable electricity" Dubbo*

*"5% is a pretty hefty chunk in dollar terms. Is that going to end up with staff being laid off if they underperform?" Dubbo*

#### 4.2 Support for Reliability Outcomes (Survey Results)

Again, there was a similar pattern that emerged from the survey although there was slightly less support for the proposal to improve reliability by 25% in the worst performing areas. Sixty five per cent (65%) strongly supported this and 22% supported it slightly resulting in a total of 87% support (compared to 100% in the forums). There was least support for an increase to STPIS in the survey with a quarter not knowing whether they supported this proposal (25%). Over half still supported it to some degree with 47% supporting strongly and 19% supporting slightly.

**Figure 8: Support for Reliability Outcomes (Survey Results)**



We would now like you to indicate the extent to which you personally support each of Essential Energy's outcomes

Base: Total Participants (n=187) Wagga Wagga (n=18) Port Macquarie (n=36) Dubbo (n=24) Tamworth (n=39) Broken Hill (n=13) Goulburn (n=31) Cootamundra (n=26)



## 5. Support for Customer Service Outcomes

### 5.1 Support for Customer Service Outcomes (Forum Results)

Prior to the discussion on customer service and communication outcomes, Essential Energy presented what they had heard from customers during the engagement program and the proposed outcomes, along with the estimated impact on customer bills.



### Customer Service & Communication

| What we heard from customers   | Outcome   | Estimated bill impact per quarter |
|--|---|-----------------------------------|
| > Want control of their energy use and bill transparency.  | ✓ Proposal includes communications and engagement programs.   | Increase \$0.30                   |
| > Aware of us but not what we do   | ✓ Resources to improve awareness and customer understanding of the role Essential Energy plays in delivering electricity. | No impact                         |
| > Should support the community.  | ✓ Continue to be involved in and support the local community.   |                                   |
| > Support more customer engagement and education   | ✓ Collaborating with land owners to improve vegetation management.  |                                   |
| > Want us to invest in customer service and timely outage notifications and meter data availability. | ✓ Outage notification schedule and system remains, and availability of interval meter data to be improved.                |                                   |

There were five key customer service outcomes presented to the forum participants, four of which would have no impact on the quarterly bill and one (running communication and engagement programs) that proposed a 30 cent increase.

Of the five areas put forward, three generated overwhelming support from participants, namely:

- Continuing to be involved and support the local community (93% strongly support)
- Collaborating with land owners to improve vegetation management (93% strongly support)
- Outage notification schedule and system remain and availability of interval meter data to be improved (90% strongly support)

*"They're all no impact on the bill. So I have no issue with them doing all of this stuff." Dubbo*

*"I like the idea of smart meters." Port Macquarie*

*"Smart metres would be great, be able to track your usage." Dubbo*

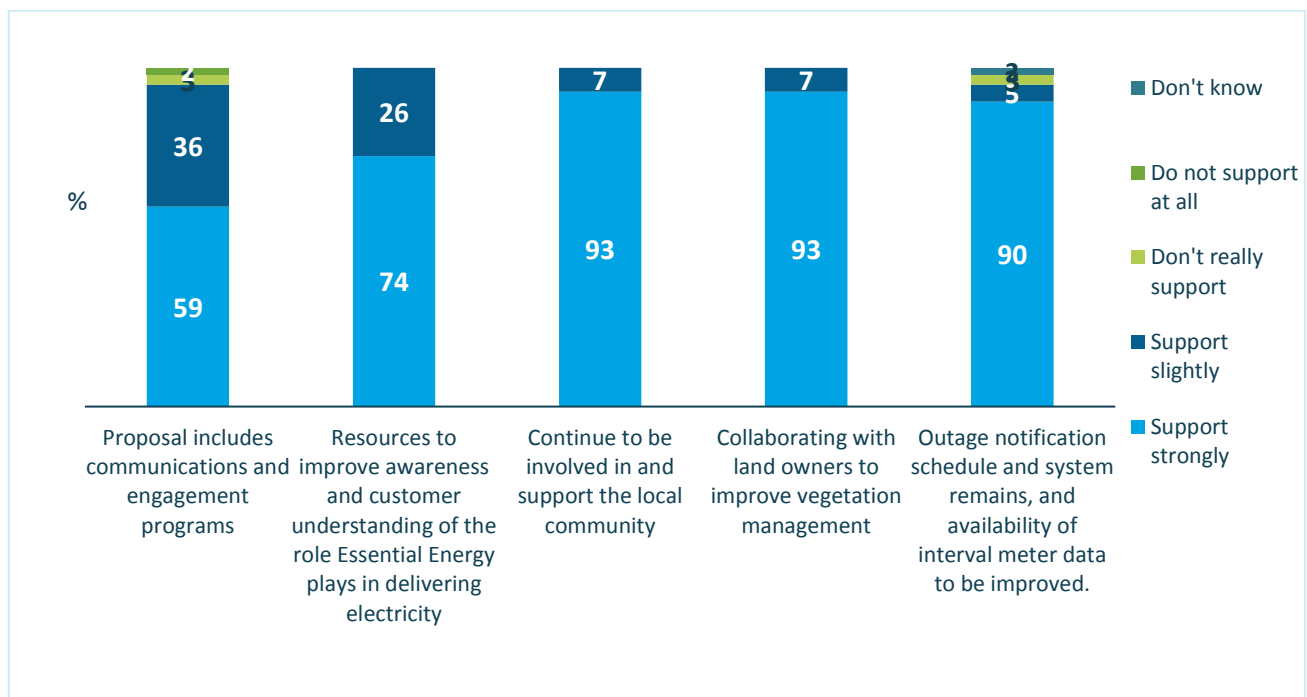
The notion of having ‘resources to improve awareness and customer understanding of the role Essential Energy plays in delivering electricity’ was well supported (74% strongly support; 26% slightly support), however some did feel that this should be part of the communication and engagement programs. Nonetheless there was agreement that something needed to be done to increase bill transparency and clarification of Essential Energy’s role.

*“Essential Energy has a role to play in encouraging retailers to engage more and be more transparent in terms of billing. Retailers tend to suggest at least that they are in control of the whole bill and in reality they are not.” Wagga Wagga*

There was less support amongst participants for ‘including communications and engagement programs’ (59% strongly support; 36% slightly support). A minority were less supportive of their funds being used for these types of programs, believing the money could be better spent elsewhere. However, most saw value in engaging with customers, but questioned what these programs involved.

*“It should be an essential service, it shouldn’t be up to customers to pay for. But also these forums have been really good, so perhaps it is a worthwhile use of funds.” Dubbo*

**Figure 9: Support for Customer Service and Communication Outcomes (Forum Results)**

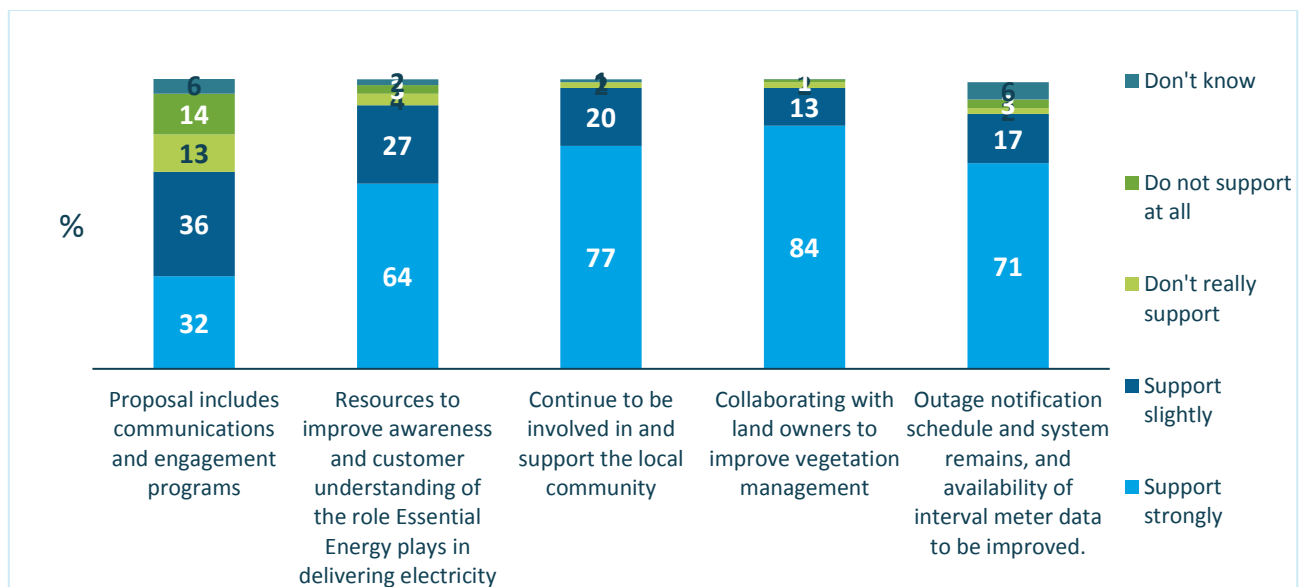


We would now like you to indicate the extent to which you personally support each of Essential Energy’s outcomes  
Base: Total Participants (n=61) Wagga Wagga (n=23) Port Macquarie (n=20) Dubbo (n=18)

## 5.2 Support for Customer Service and Communications Outcomes (Survey Results)

Within the survey results there was significantly less support for the proposal for including communications and engagement programs (32% strongly support versus 59% strong support at the forums). In an overall sense however, the pattern of response was the same with 'continued involvement in the local community' and 'collaborating with land owners to improve vegetation management' gaining the widest support (77% and 84% strong support respectively). Keeping the outage notification schedule and system the same (71% strong support) and having resources to improve awareness of Essential Energy's role gained the next most positive responses (64% strong support).

**Figure 10: Support for Customer Service and Communications Outcomes (Survey Results)**



We would now like you to indicate the extent to which you personally support each of Essential Energy's outcomes

Base: Total Participants (n=187) Wagga Wagga (n=18) Port Macquarie (n=36) Dubbo (n=24) Tamworth (n=39) Broken Hill (n=13) Goulburn (n=31) Cootamundra (n=26)

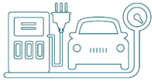

## 6. Support for Innovation and Renewable Outcomes

### 6.1 Support for Innovation and Renewable Outcomes (Forum Results)

Prior to this discussion, participants were presented Essential Energy's planned proposals in the area of renewables and innovation.



## Innovation and Renewables

| What we heard from customers  | Outcome  | Estimated bill impact per quarter |
|---|--|-----------------------------------|
|  <ul style="list-style-type: none"> <li>&gt; Support for new energy technologies and invest in research and development that reduces infrastructure expenditure.</li> </ul>                                      | <ul style="list-style-type: none"> <li>✓ Proposal includes expenditure on research and development.</li> </ul>   | Increase \$0.30                   |
|  <ul style="list-style-type: none"> <li>&gt; Generation source can be changed provided reliability and price remain stable.</li> <li>&gt; Concerned new technology advantages not available to all.</li> </ul> | <ul style="list-style-type: none"> <li>✓ Trialing new technologies, including microgrids and small-scale renewables, that will improve efficiency and lower network expenses.</li> </ul> | No impact                         |

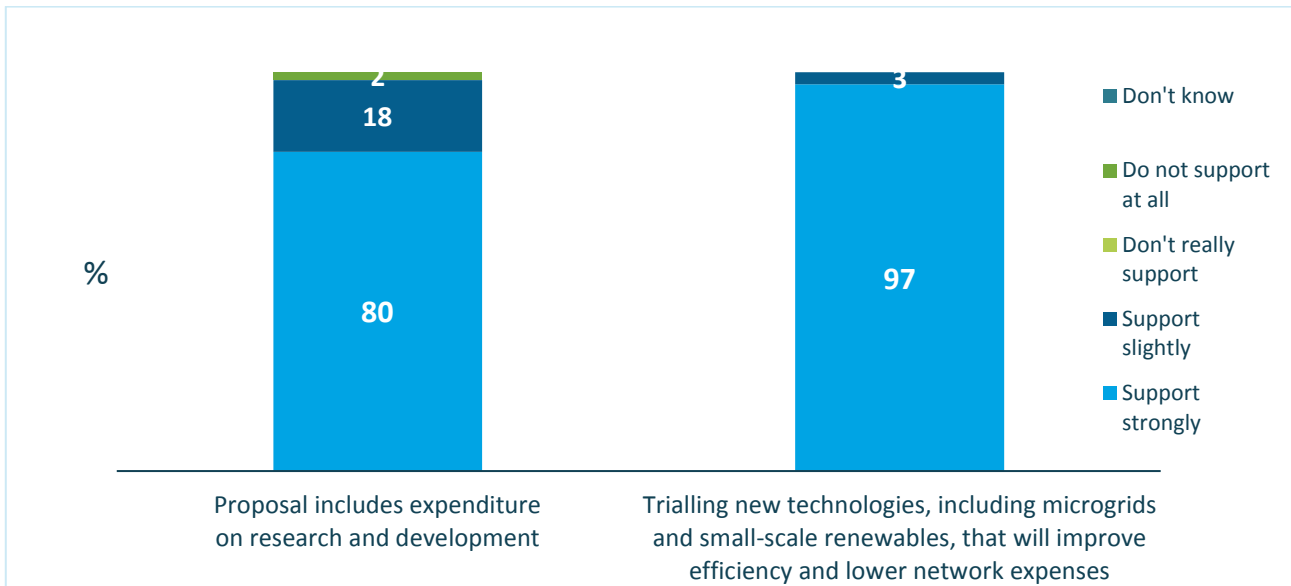
This was an area participants were keen for Essential Energy to move towards. There was overwhelming support for the business to 'trial new technologies, including microgrids and small scale renewables that will improve efficiency and lower network expenses', with 97% of participants indicating strong support.

*"Using microgrids would be successful, if we don't have to spend the money to service a few people then it will bring down the cost of keeping the line." Wagga Wagga*

Four out of five participants (80%) strongly supported the 'proposal to include expenditure on research and development', with a further 18% indicating slight support. One or two however, were slightly cynical and suggested that this was an expensive area and that it may start at a cost of 30 cents per quarter, but then slowly creep up in the future.

*"Research and development is not always successful – they need to pick good projects, don't stuff up." Port Macquarie*

Figure 11: Support for Innovation and Renewables Outcomes



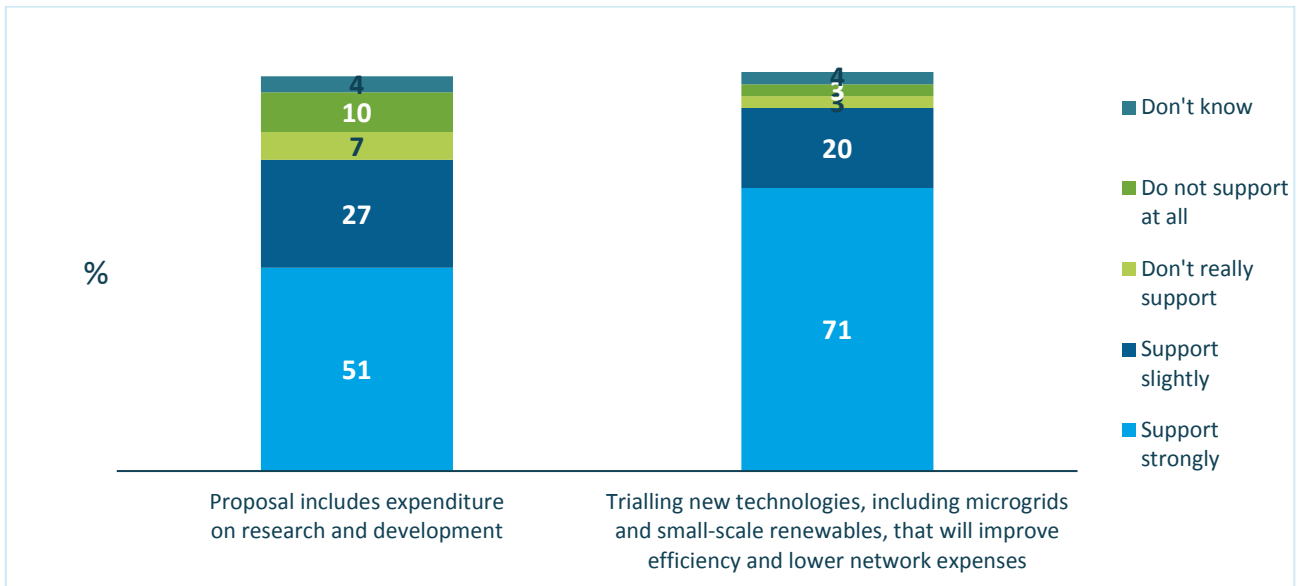
We would now like you to indicate the extent to which you personally support each of Essential Energy's outcomes  
Base: Total Participants (n=61) Wagga Wagga (n=23) Port Macquarie (n=20) Dubbo (n=18)

## 6.2 Support for Innovation and Renewable Outcomes (Survey Results)

The trialling of new technologies, including microgrids and small scale renewables was well supported by those in the survey as well as the forums, with 71% of survey respondents strongly supporting the outcome and 20% supporting slightly.

However, respondents within the survey were markedly less positive about including expenditure on research and development (51% strong support in the survey; 80% strong support in the forum). In fact, without the benefit of the presentation from Essential Energy, 17% of the survey respondents actually did not support this outcome.

**Figure 12: Support for Innovation and Renewable Outcomes (Survey Results)**



We would now like you to indicate the extent to which you personally support each of Essential Energy's outcomes

Base: Total Participants (n=187) Wagga Wagga (n=18) Port Macquarie (n=36) Dubbo (n=24) Tamworth (n=39) Broken Hill (n=13) Goulburn (n=31) Cootamundra (n=26)

## 7. Support for Pricing Outcomes

### 7.1 Support for Pricing Outcomes (Forum Results)

Essential Energy presented a section on pricing that culminated in the chart below which outlined the outcomes for the proposal. Again this was an area that participants showed a great deal interest.



### Pricing

| What we heard from customers |  | Outcome  |
|------------------------------|--|--|
|                              | > Changing the time at which electricity is used impacts quality of life. Incentives needed to support change. | ✓ Off peak charging available and related services piloted.  |
|                              | > Progression to cost-reflective charges should be slow and careful. Bills should be predictable and stable.   | ✓ Due to lack of popularity, we have only increased fixed charges by \$5 p.a., with offsetting reductions in variable charges which allows slower progression towards cost-reflective pricing. |
|                              | > Locational pricing, seasonal pricing and fixed charge increase not popular.                                  | ✓ No locational or seasonal pricing.   |
|                              | > Choice between pricing options required.   | ✓ Network charging plans updated, with opt-out for all residents and small business.   |
|                              | > Support a price that encourages off-peak charging for electric vehicles.                                     | ✓ New default assignment for customers installing new innovative technologies to encourage efficient use.  |
|                              | > Invest in researching microgrids as an option.   | ✓ Microgrids will be piloted, with pricing trials undertaken and policy propositions.  |
|                              | > No change required to charging windows for time of use pricing.  | ✓ Education on our network charges enhanced.   |

Essential Energy also put forward that the outcomes would result in a 1.63% increase in distribution charges above CPI for 2019-24. Whilst there was no formal discussion regarding this increase, the general feedback from participants was an acceptance of this proposal.

The two outcomes generating the most positive level of support were, 'off peak charging available and related service piloted' (89% strongly support; 10% slight support) and 'no locational or seasonal pricing' (89% strongly support; 10% slight support).

*"No additional pricing by location – strongly support this within Essential Energy territory; this is important, the further you move away from the CBD the more you get screwed over on everything." Port Macquarie*

Around 80% of participants strongly supported the following outcomes:

- 'education on our network charges enhanced'

- 'network charging plans updated, with opt-out for all residents and small business'
- 'new default prices for assignment for customers installing new innovative technologies to encourage efficient use'

There was however, some question regarding the default pricing assignment and how that would manifest.

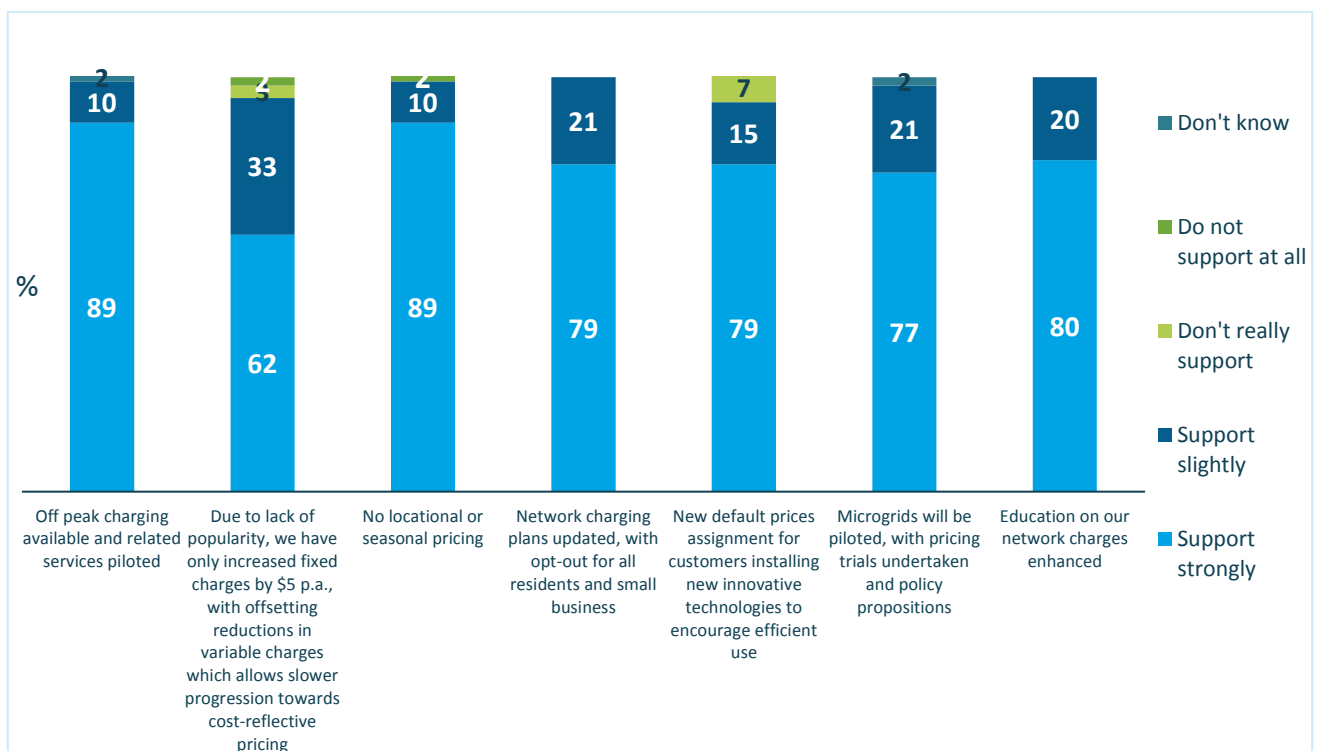
*"The new default pricing – what is that going to be?" Port Macquarie*

*"I am all for decreasing costs if you have new technologies. It is good to encourage people to charge their car at night. A lot of hot water systems already do this." Wagga Wagga*

Participants also needed some clarification on how the opt out model would work, with some showing concern that customers may not know they can opt out and not do so, possibly leaving themselves in a less favourable position.

*"People who don't have the confidence to push won't get it. Everyone gets different amounts of discount. The strong (i.e. ones who call up and push to get the discount) get the most which is unfair." Wagga Wagga*

**Figure 13: Support for Pricing Outcomes (Forum Results)**



We would now like you to indicate the extent to which you personally support each of Essential Energy's outcomes  
Base: Total Participants (n=61) Wagga Wagga (n=23) Port Macquarie (n=20) Dubbo (n=18)



The proposed 'piloting of microgrids, with pricing trials undertaken and policy propositions' was met with a high degree of strong support from 77% of participants.

*"It makes sense. Where and how is another question?" Wagga Wagga*

*"It is better than running powerlines out to remote locations." Dubbo*

The outcome to gain least support in the pricing area was 'increasing the fixed charges by \$5 p.a., with offsetting reductions in variable charges which allows slower progression towards cost-reflective pricing', with 62% indicating strong support and 33% slight support.

*"Increasing fixed charges by \$5 p.a is very little. I would be happy for them to increase the fixed charge more. If it makes it clearer to people that they are paying for the network not just their usage then that is a good thing." Dubbo*

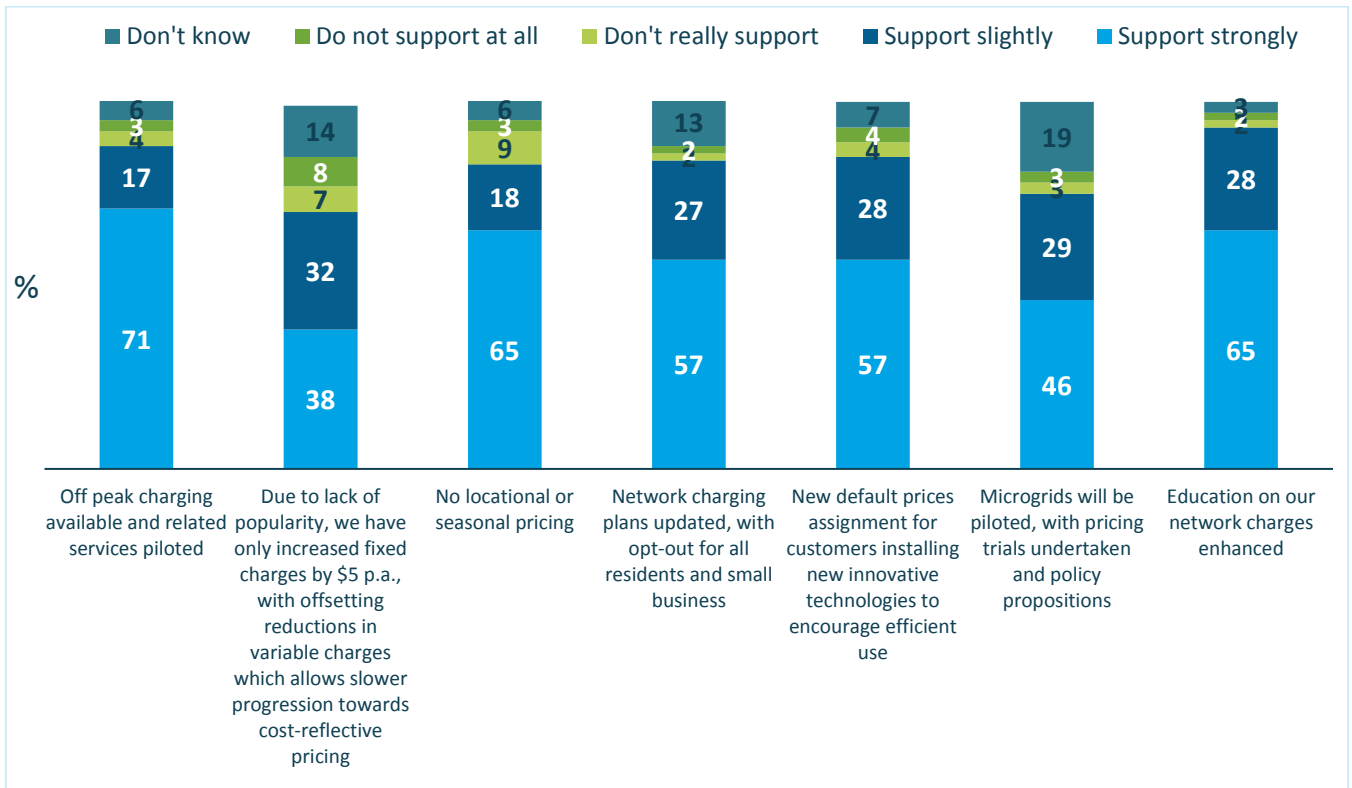
Some were unclear about what this meant for them, however others worried slightly about how this would affect the vulnerable customers.

*"I don't agree with increasing the fixed charges as much. I understand that this was a pricing regulator decision but I am worried that this will affect vulnerable customers. I knew an elderly indigenous lady who used to sit in her car in the sun to keep warm. It is tragic that this happens." Dubbo*

## 7.2 Support for Pricing Outcomes (Survey Results)

Across all pricing outcomes there was significantly less 'strong' support compared to the support within the forums, particularly regarding increasing the fixed charges by \$5 p.a. (62% supported strongly in the forums versus 38% in the survey) and the piloting of microgrids with pricing trials undertaken and policy propositions (77% in the forum; 46% in the survey).

Figure 14: Support for Pricing Outcomes (Survey Results)



We would now like you to indicate the extent to which you personally support each of Essential Energy's outcomes

Base: Total Participants (n=187) Wagga Wagga (n=18) Port Macquarie (n=36) Dubbo (n=24) Tamworth (n=39) Broken Hill (n=13) Goulburn (n=31) Cootamundra (n=26)

## 8. Top Five Outcomes

### 8.1 Top Five Outcomes (Forum Results)

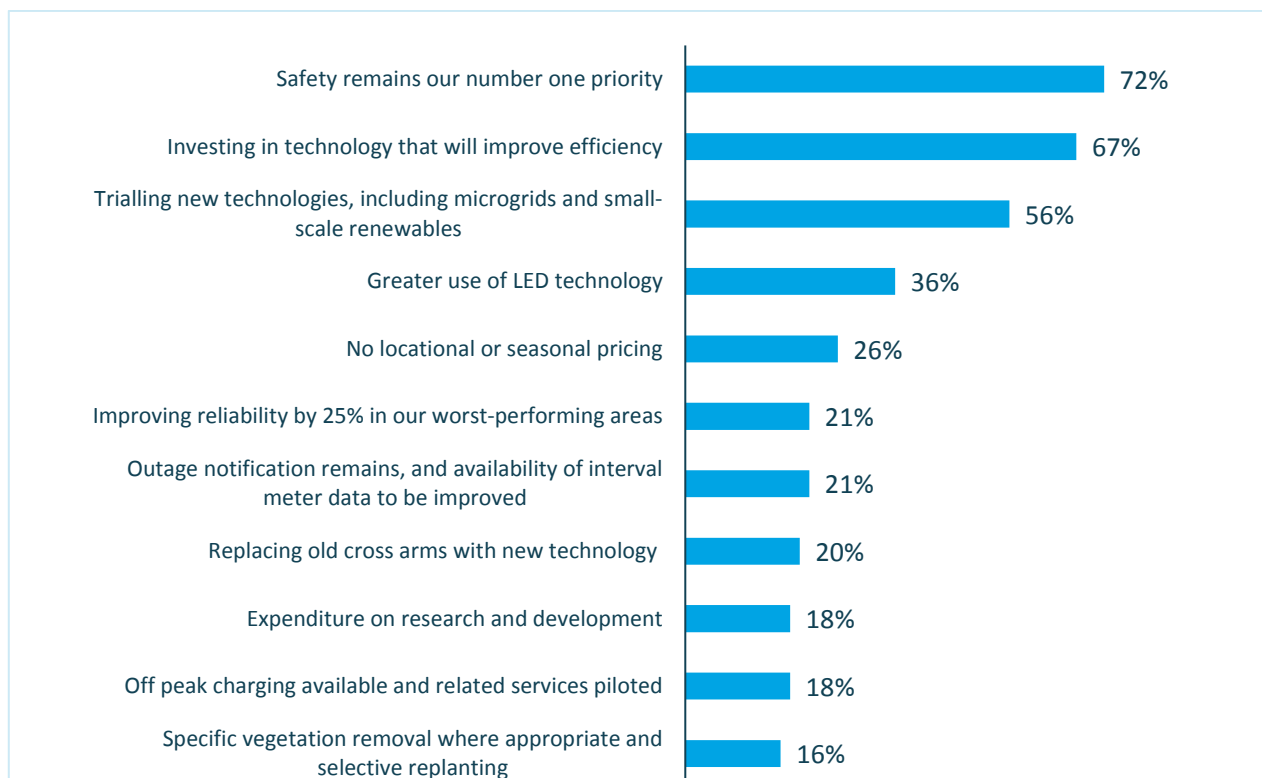
At the end of the forum, participants were asked to select the five outcomes they supported most.

Almost three quarters (72%) of the participants selected 'safety remains our number one priority' in their top five.

The next most popular outcomes centred around technology outcomes, that is 'investing in technology that will improve efficiency' (67%), followed by 'trialling new technologies, including microgrids and small scale renewables' (56%), then a further third selecting 'greater use of LED technology' as one of their top 5 outcomes.

The two outcomes voted frequently by around a quarter of participants were broadly to do with protecting vulnerable customers through the decision not to introduce 'locational or seasonal pricing' (26%) and 'improving reliability by 25% in worst performing areas' (21%).

**Figure 15: Top Five Outcomes (% selecting outcome within top 5)**

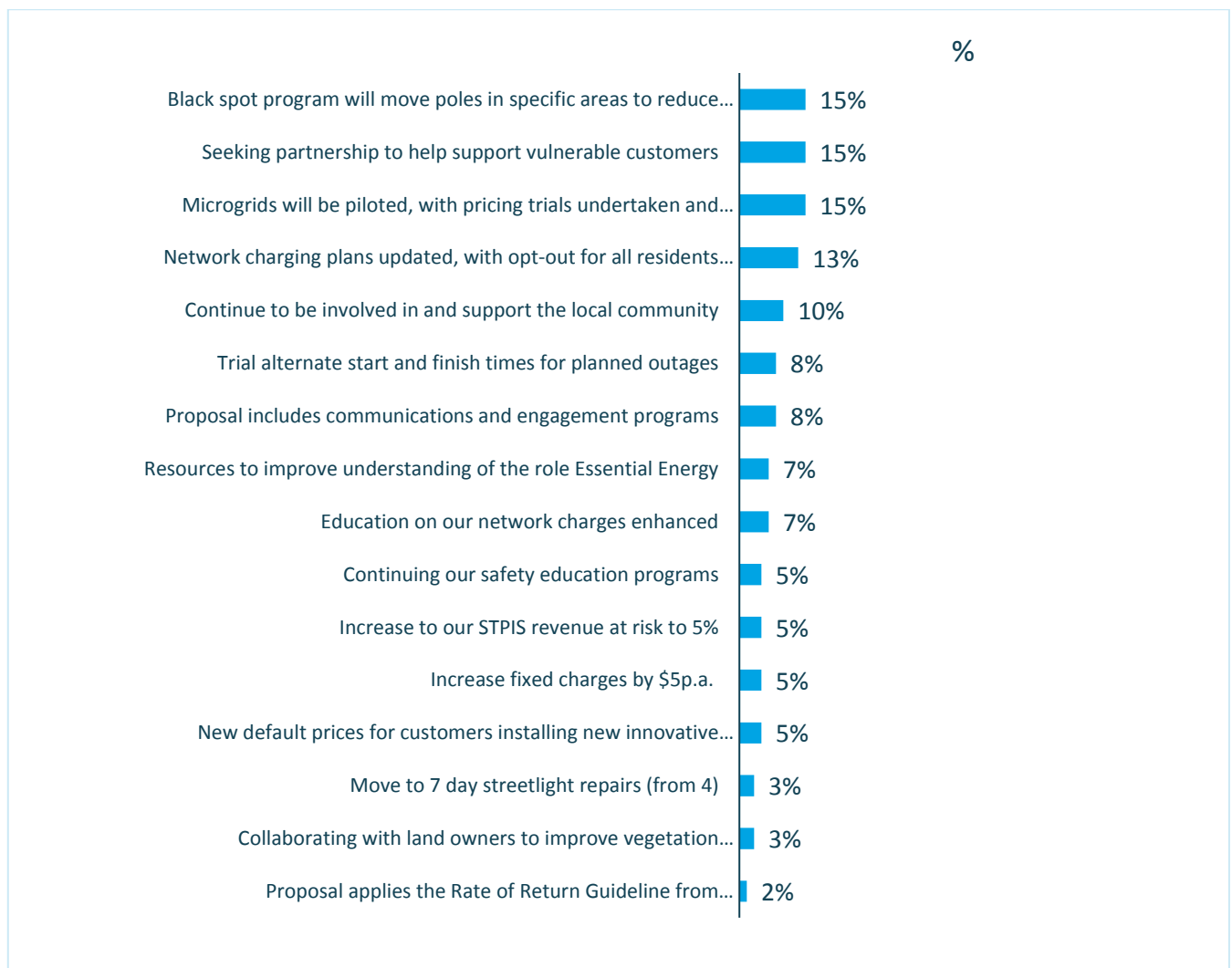


We would now like you to indicate the extent to which you personally support each of Essential Energy's outcomes  
Base: Total Participants (n=61) Wagga Wagga (n=23) Port Macquarie (n=20) Dubbo (n=18)

The outcomes where there were only less than 5% of participants selecting them in their top five were:

- Collaborating with landowners to improve vegetation management
- Moving to a 7 day street light repair cycle
- Applying the rate of return guidelines from independent regulator

**Figure 16: Support for Outcomes (% selecting outcomes within the top 5)**



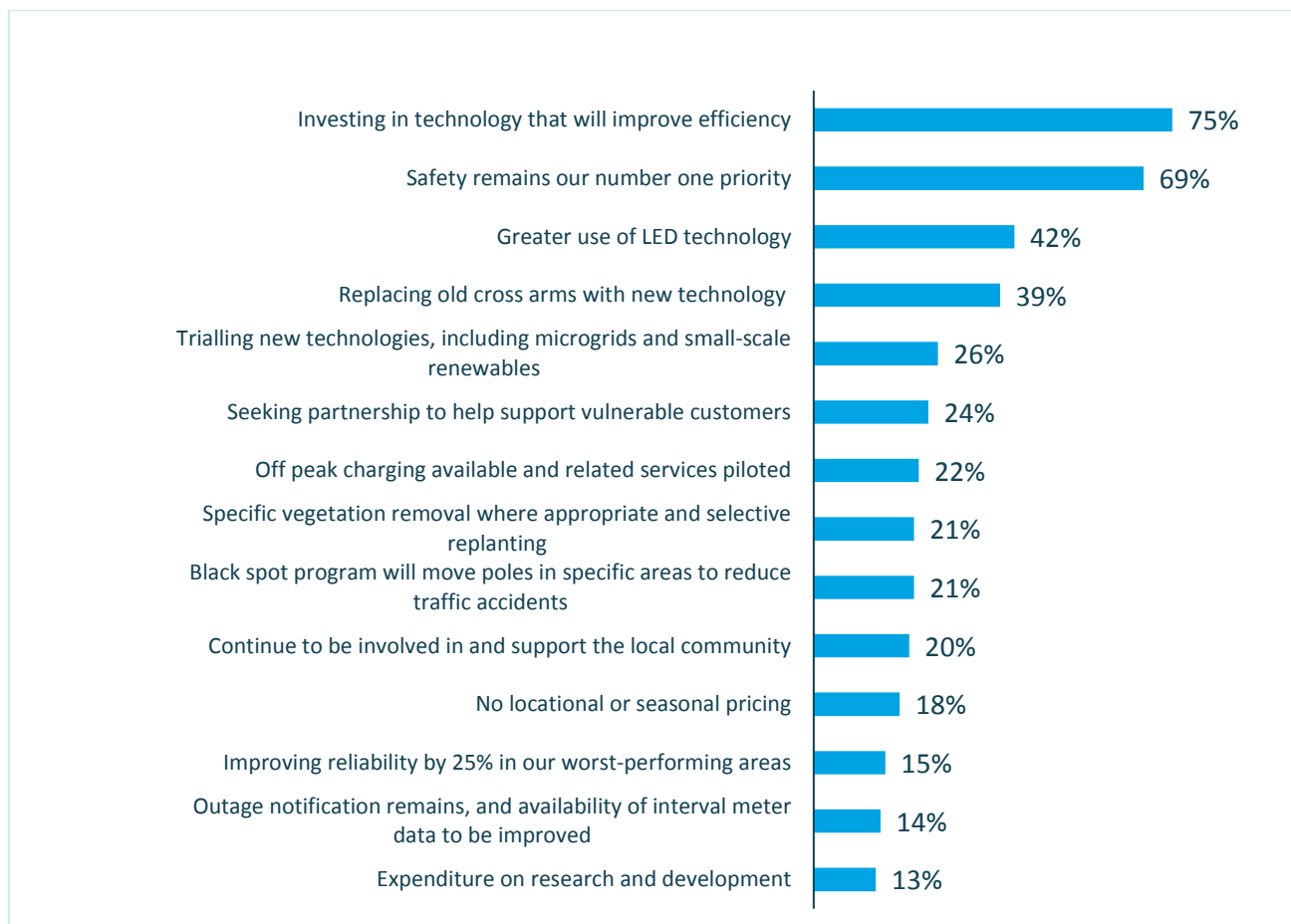
We would now like you to indicate the extent to which you personally support each of Essential Energy's outcomes  
Base: Total Participants (n=61) Wagga Wagga (n=23) Port Macquarie (n=20) Dubbo (n=18)

## 8.2 Top Five Outcomes (Survey Results)

It was decided that this exercise would be too difficult over the phone so only the online survey respondents were asked for their top 5 outcomes.

Similar outcomes were selected to the forums with 75% selecting 'investing in technology that will improve efficiency' as one of their top 5 and 69% selecting 'safety remains our number one priority'. Technology was a strong focus for the online respondents with 'greater use of LED technology' (42%), 'replacing old cross arms with new technology' (39%), and 'trialling new technologies, including microgrids and small-scale renewables' (26%) being next in popularity.

**Figure 17: Top Five Outcomes (% selecting outcome within top 5) (Survey Results)**



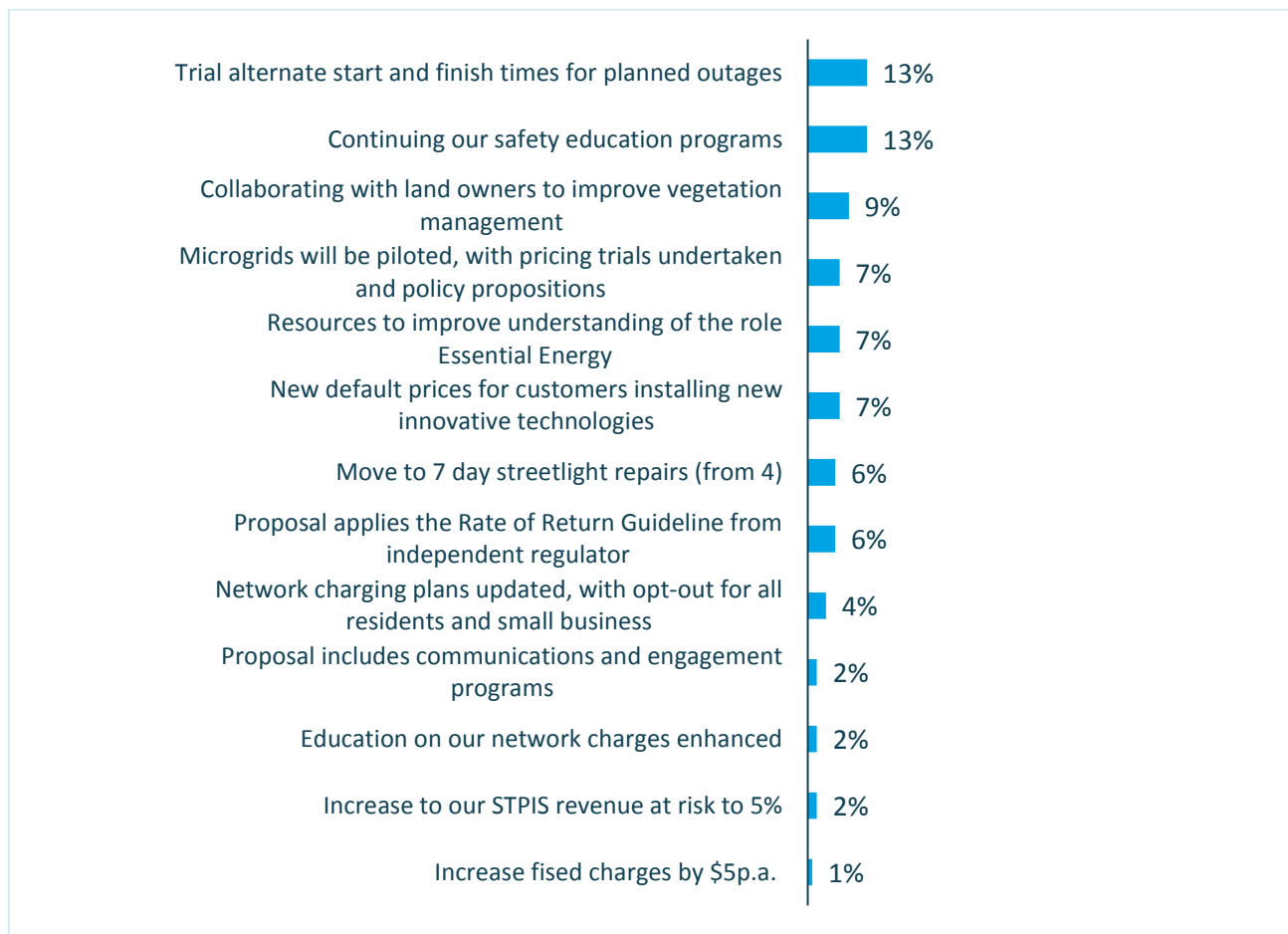
We would now like you to indicate the extent to which you personally support each of Essential Energy's outcomes

Base: Total Online Survey Participants (n=85) Wagga Wagga (n=10) Port Macquarie (n=12) Dubbo (n=11) Tamworth (n=13) Broken Hill (n=1) Goulburn (n=19) Cootamundra (n=19).

Those outcomes with fewer than 5% of respondents selecting them in their top 5 were:

- Network charging plans updated, with opt-out for all residents and small business
- Proposal includes communications and engagement programs
- Education on our network charges enhanced
- Increase to our STPIS revenue at risk to 5%
- Increase fixed charges by \$5 p.a.

**Figure 18: Support for Outcomes (% Selecting outcome within the top 5) (Survey Results)**



We would now like you to indicate the extent to which you personally support each of Essential Energy's outcomes

Base: Total Online Survey Participants (n=85) Wagga Wagga (n=10) Port Macquarie (n=12) Dubbo (n=11) Tamworth (n=13) Broken Hill (n=1) Goulburn (n=19) Cootamundra (n=19).

## 9. Interest in being kept informed and Satisfaction with the Engagement

### 9.1 Interest in being kept informed

Towards the end of the forum, participants were asked if they would like to be kept up to date and what methods of being kept informed would be most suitable.

The majority showed strong interest in being kept informed, especially with regard to the content of the final submission to the regulator to see what needed or had to be changed. However, there was agreement that they would prefer a summarised version that was expressed in layman's terms.

*"I would be interested in what they put forward and what they need to change." Port Macquarie*

*"I would like to be kept up to date/ like to know how the proposal works out." Port Macquarie*

*"A summary in layman's terms is all I need, I don't need to see the whole proposal." Dubbo*

*"I would like a point form summary of what has been done. Something simple." Wagga Wagga*

*"If there are any changes to the proposal they should let us know." Wagga Wagga*

Many also expressed interest in being abreast of what some of the initiatives/programs end up involving.

*"Need to keep us informed of what is actually done over the next few years. e.g. Where they put microrrids, how they choose the locations and how they have gone, etc." Dubbo*

In terms of the medium for receiving the information, most were happy to receive an email, although a minority felt that a summary in the mail would be better.

*"Emails are good/everyone has one." Port Macquarie*

Others suggested that Essential Energy needed to put something on their website and then perhaps inform people that it is there.

### 9.2 Satisfaction with the Engagement

Overall, participants were very positive about the approach taken and their involvement in the engagement process. In fact, some were disappointed that it was largely over for the time being.

*"Feel like I've learned a lot, I've enjoyed it." Wagga Wagga*

*"I was unaware of the process they had to go through, so I've learned a lot about that." Port Macquarie*

*"I think they've listened from the other forums so they're getting the majority view." Dubbo*

### 9.3 End of Session Feedback

Participants were given a questionnaire at the end of the forum to indicate their satisfaction with the event. The questionnaire had a list of statements and they were asked the extent to which they agreed with each one. The table below outlines the results.

**Table 4: End of Session Feedback**

|  | Strongly Agree % | Agree % | Neither agree or disagree % | Disagree % | Disagree Strongly % |
|--|------------------|---------|-----------------------------|------------|---------------------|
| The session was well organised and structured                          | 87               | 11      | 0                           | 0          | 2                   |
| I was able to provide my views and contribute during the session       | 87               | 13      | 0                           | 0          | 0                   |
| I enjoyed taking part in the session                                   | 82               | 17      | 2                           | 0          | 0                   |
| It was informative and I feel I have learned a lot                     | 66               | 30      | 3                           | 2          | 0                   |
| I think Essential Energy will act on the information from this session | 56               | 39      | 2                           | 2          | 0                   |

Based on your experience today, please indicate whether you Strongly Agree, Agree, Disagree, Strongly Disagree or Neither Agree or Disagree with each of the following statements Base: Total Participants (n=61) Wagga Wagga (n=23) Port Macquarie (n=20) Dubbo (n=18)

Participants were also asked for their feedback on the whole engagement program through a series of statements. There was strong agreement with the statements, particularly around enjoyment (100% agreed) and events like these being a good way of consulting the public about issues (98% agreed). Ninety five per cent (95%) agreed that Essential Energy had taken their views into account when drafting the Regulatory Proposal. The results are provided below.



**Table 5: End of Engagement Program Feedback**

|  | Strongly Agree % | Agree % | Neither agree or disagree % | Disagree % | Disagree Strongly % |
|--|------------------|---------|-----------------------------|------------|---------------------|
| I think events like this are a good way of consulting the public about issues        | 80               | 18      | 2                           | 0          | 0                   |
| I enjoyed taking part in the engagement process                                      | 79               | 21      | 0                           | 0          | 0                   |
| The engagement process was informative and I feel I have learned a lot               | 74               | 23      | 3                           | 0          | 0                   |
| Essential Energy have taken my views into account in their Draft Regulatory Proposal | 70               | 25      | 3                           | 2          | 0                   |

## Appendix 1: Closing the Loop Agenda

| Time             | Session details   | Responsibility        | Materials             |
|------------------|---|-----------------------|-----------------------|
| 5.45–<br>6.00pm  | Give out participants agenda  | WR Table Facilitators | Participants agenda   |
| 6.00–<br>6.02pm  | <b>Welcome and Introduction</b> <ul style="list-style-type: none"> <li>Woolcott Research Lead Facilitator to welcome and thank participants for coming back.</li> <li>Explain that we have invited a selection of people from the first two forums to come back for Essential Energy to provide information on their Draft Regulatory Proposal and get their feedback.</li> <li>Introduce opening speaker</li> </ul>  | WR Lead Facilitator   |                       |
| 6.02–<br>6.05pm  | <b>Introduction</b> <ul style="list-style-type: none"> <li>Welcome and thank for coming</li> <li>Your feedback in the first two forums was invaluable and we have used this to develop our Draft Regulatory Proposal for the Australian Energy Regulator.</li> <li>We are now at the end of the consultation program and we are holding this forum to present what is in the Proposal, and how that relates to what we heard, and to hear your feedback on this.</li> </ul> | EE                    | PP slides             |
| 6.05 –<br>6.10pm | <b>Housekeeping</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> </ul>   | WR Lead Facilitator   | PP slides and keypads |
| 6.10–<br>6.35pm  | <b>Presentation 1: Sections of the proposal</b> <ul style="list-style-type: none"> <li>Introduction to the Proposal</li> <li>Outline each theme – what we heard about each theme and what we are proposing as a result. Looking to hear their views on whether they support the proposals. Present this for: <ul style="list-style-type: none"> <li>Customer values</li> <li>Safety</li> <li>Affordability</li> </ul> </li> </ul>   | EE                    | PP Slides             |

|             |  |                       |                  |
|-------------|--|-----------------------|------------------|
| 6.35-6.50   | <p><b>Table discussion 1</b></p> <p><i>Give out feedback sheet and ask participants to fill in their level of support with the proposals for the above themes.</i></p> <p><i>Then ask the table to discuss which proposals they supported/did not support and why. Go through each section:</i></p> <ul style="list-style-type: none"> <li>• Customer values</li> <li>• Safety</li> <li>• Affordability</li> </ul> | WR Table Facilitators | FEEDBACK SHEET 1 |
| 6.50-7.00pm | <p><b>Presentation 2: Sections of the proposal</b></p> <ul style="list-style-type: none"> <li>• Outline next themes – what we heard about each theme and what we are proposing as a result. Looking to hear their views on whether they support the proposals. Present this for: <ul style="list-style-type: none"> <li>○ Reliability</li> <li>○ Customer service and communication</li> </ul> </li> </ul>         | EE                    | PP Slides        |
| 7.00-7.15pm | <p><b>Table discussion 2</b></p> <p><i>Give out feedback sheet and ask participants to fill in their level of support with the proposals for the above themes.</i></p> <p><i>Then ask the table to discuss which proposals they supported/did not support and why. Go through each section:</i></p> <ul style="list-style-type: none"> <li>• Reliability</li> <li>• Customer service and communication</li> </ul>  | WR Table Facilitators | FEEDBACK SHEET 2 |
| 7.15-7.40pm | <b>DINNER BREAK</b>  |                       |                  |
| 7.40-7.50pm | <p><b>Presentation 3: Sections of the proposal</b></p> <ul style="list-style-type: none"> <li>• Outline remaining themes – what we heard about each theme and what we are proposing as a result. Looking to hear their views on whether they support the proposals. Present this for: <ul style="list-style-type: none"> <li>○ Innovation and renewables</li> <li>○ Pricing</li> </ul> </li> </ul>                 | EE                    | PP Slides        |
| 7.50-8.05pm | <p><b>Table discussion 3</b></p> <p><i>Give out feedback sheet and ask participants to fill in their level of support with the proposals for the above themes.</i></p>   | WR Table Facilitators | FEEDBACK SHEET 3 |

|             |  |                       |  |
|-------------|--|-----------------------|--|
|             | <p><i>Then ask the table to discuss which proposals they supported/did not support and why. Go through each section:</i></p> <ul style="list-style-type: none"> <li>• Innovation and renewables</li> <li>• Pricing</li> <li>• If time permits: Is there anything missing from the proposal that you felt was discussed at the forums?</li> </ul> |                       |  |
| 8.05-8.10pm | <p><b>Presentation: Summing up of Proposal</b></p> <ul style="list-style-type: none"> <li>• One slide on the summary points from proposal</li> </ul>   |                       |  |
| 8.10-8.20pm | <p><b>Table discussion 4: Prioritisation and being kept up to date</b></p> <ul style="list-style-type: none"> <li>• Out of all the presented proposals so far, what is most important to you?</li> <li>• Do you want to be kept up to date following this forum?</li> <li>• If yes, how would you like to be kept up to date?</li> </ul>         | WR Table Facilitators | VOTING SHEET – top 5 priorities                                  |
| 8.20-8.25pm | <p><b>Summing up, thank you</b></p> <ul style="list-style-type: none"> <li>• <i>Essential Energy closing remarks</i> – what Essential Energy will take from today and confirmation of next steps.</li> </ul>   | EE                    |  |
| 8.25-8.30pm | <p><b>CLOSE</b></p> <p><i>Woolcott Research Lead Facilitator</i> – thanks and reminder to fill in end of session questionnaire on tables</p> <p>Reminder to facilitators to collect feedback sheets and voting sheets.</p>   | WR All                | <p>End of session survey</p> <p>Incentives and signing sheet</p> |

## Appendix 2: Handouts/Survey

### Support for Essential Energy's outcomes (part 1)

We would now like you to indicate the extent to which you personally support each of Essential Energy's outcomes.

Please place a tick in the relevant box, with one tick in each line only.

#### Customer values

|   | Support strongly         | Support slightly         | Don't really support     | Do not support at all    | Don't know               |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Affordability                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Reliability                             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Good customer service and communication | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Encourage renewables                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bill Transparency                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Innovative Technologies                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

#### Safety outcomes

| Outcome  | Estimated impact on quarterly bill | Support strongly         | Support slightly         | Don't really support     | Do not support at all    | Don't know               |
|--|------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Safety remains our number one priority   | No impact                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Black spot program will move poles in specific areas to reduce traffic accidents                   | Increase \$0.06                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Replacing old cross arms with new technology which is storm resistant to reduce wires falling down | No impact                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Continuing our safety education programs   | No impact                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

## Affordability outcomes

| <i>Outcome</i>   | <i>Estimated impact on quarterly bill</i>          | <b>Support strongly</b>  | <b>Support slightly</b>  | <b>Don't really support</b> | <b>Do not support at all</b> | <b>Don't know</b>        |
|--|--|--------------------------|--------------------------|-----------------------------|------------------------------|--------------------------|
| Proposal applies the Rate of Return Guideline from independent regulator                   | No impact  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>    | <input type="checkbox"/>     | <input type="checkbox"/> |
| Investing in technology that will improve efficiency and lower operating and capital spend | By 2023-24 customers will save \$9.11              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>    | <input type="checkbox"/>     | <input type="checkbox"/> |
| Seeking partnership to help support vulnerable customers                                   | No impact  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>    | <input type="checkbox"/>     | <input type="checkbox"/> |
| Specific vegetation removal where appropriate and selective replanting                     | Reduce by \$0.49                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>    | <input type="checkbox"/>     | <input type="checkbox"/> |
| Move to 7 day streetlight repairs (from 4) to improve scheduling efficiency                | Average of 10% reduction in street lighting prices | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>    | <input type="checkbox"/>     | <input type="checkbox"/> |
| Greater use of LED technology  |  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>    | <input type="checkbox"/>     | <input type="checkbox"/> |

## Support for Essential Energy's outcomes (part 2)

We would now like you to indicate the extent to which you personally support each of Essential Energy's outcomes.

Please place a tick in the relevant box, with one tick in each line only.

### Reliability outcomes

| Outcome  | Estimated impact on quarterly bill | Support strongly         | Support slightly         | Don't really support     | Do not support at all    | Don't know               |
|--|------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Proposal improves reliability by 25% in our worst-performing areas   | Increase \$0.10                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Trial alternate start and finish times for planned outages   | No impact                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Increase to our STPIS revenue at risk, from 2.5% to 5% to strengthen the accountability and incentives applied to our business | No impact                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### Customer service and communication outcomes

| Outcome  | Estimated impact on quarterly bill | Support strongly         | Support slightly         | Don't really support     | Do not support at all    | Don't know               |
|--|------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Proposal includes communications and engagement programs   | Increase \$0.30                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resources to improve awareness and customer understanding of the role Essential Energy plays in delivering electricity | No impact                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Continue to be involved in and support the local community   | No impact                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

*Continued on the next page*

### Customer service and communication outcomes (cont'd)

| <i>Outcome</i>  | <i>Estimated impact on quarterly bill</i> | <b>Support strongly</b>  | <b>Support slightly</b>  | <b>Don't really support</b> | <b>Do not support at all</b> | <b>Don't know</b>        |
|---|---|--------------------------|--------------------------|-----------------------------|------------------------------|--------------------------|
| Collaborating with land owners to improve vegetation management   | No impact                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>    | <input type="checkbox"/>     | <input type="checkbox"/> |
| Outage notification schedule and system remains, and availability of interval meter data to be improved: <ul style="list-style-type: none"> <li>Better knowledge of what is happening on network</li> <li>Keep our regular outage notification</li> <li>Smart meter – work with retailers for better information sharing</li> </ul> | No impact                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>    | <input type="checkbox"/>     | <input type="checkbox"/> |



### Support for Essential Energy's outcomes (part 3)

We would now like you to indicate the extent to which you personally support each of Essential Energy's outcomes. Please place a tick in the relevant box, with one tick in each line only.

#### Innovation and renewables outcomes

| Outcome  | Estimated impact on quarterly bill | Support strongly         | Support slightly         | Don't really support     | Do not support at all    | Don't know               |
|--|------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Proposal includes expenditure on research and development  | Increase \$0.30                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Trialling new technologies, including microgrids and small-scale renewables, that will improve efficiency and lower network expenses | No impact                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

#### Pricing

| Outcome   | Support strongly         | Support slightly         | Don't really support     | Do not support at all    | Don't know               |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Off peak charging available and related services piloted  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Due to lack of popularity, we have only increased fixed charges by \$5 p.a., with offsetting reductions in variable charges which allows slower progression towards cost-reflective pricing | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| No locational or seasonal pricing   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Network charging plans updated, with opt-out for all residents and small business   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| New default prices assignment for customers installing new innovative technologies to encourage efficient use   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Microgrids will be piloted, with pricing trials undertaken and policy propositions  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Education on our network charges enhanced   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### Support for Essential Energy's outcomes (part 4)

We would now like you to indicate which FIVE of Essential Energy's outcomes you have the strongest support for. In other words, which outcomes are most important to you?

| Outcome  | Estimated impact on quarterly bill                 | <b>TICK 5</b><br><b>Most Important</b> |
|--|--|--|
| Safety remains our number one priority   | No impact  |  |
| Black spot program will move poles in specific areas to reduce traffic accidents   | Increase \$0.06                                    |  |
| Replacing old cross arms with new technology which is storm resistant to reduce wires falling down                             | No impact  |  |
| Continuing our safety education programs   | No impact  |  |
| Proposal applies the Rate of Return Guideline from independent regulator   | No impact  |  |
| Investing in technology that will improve efficiency and lower operating and capital spend                                     | By 2023-24 customers will save \$9.11              |  |
| Seeking partnership to help support vulnerable customers   | No impact  |  |
| Specific vegetation removal where appropriate and selective replanting   | Reduce by \$0.49                                   |  |
| Move to 7 day streetlight repairs (from 4) to improve scheduling efficiency  | Average of 10% reduction in street lighting prices |  |
| Greater use of LED technology  |  |  |
| Proposal improves reliability by 25% in our worst-performing areas   | Increase \$0.10                                    |  |
| Trial alternate start and finish times for planned outages   | No impact  |  |
| Increase to our STPIS revenue at risk, from 2.5% to 5% to strengthen the accountability and incentives applied to our business | No impact  |  |
| Proposal includes communications and engagement programs   | Increase \$0.30                                    |  |
| Resources to improve awareness and customer understanding of the role Essential Energy plays in delivering electricity         | No impact  |  |

|   |           |  |
|---|-----------|--|
| Continue to be involved in and support the local community      | No impact |  |
| Collaborating with land owners to improve vegetation management | No impact |  |

| <i>Outcome (cont'd)</i>  | <i>Estimated impact on quarterly bill</i> | <b>TICK 5<br/>Most Important</b> |
|--|---|----------------------------------|
| Outage notification schedule and system remains, and availability of interval meter data to be improved <ul style="list-style-type: none"> <li>Better knowledge of what is happening on network</li> <li>Keep our regular outage notification</li> <li>Smart meter – work with retailers for better information sharing</li> </ul> | No impact                                 |                                  |
| Proposal includes expenditure on research and development  | Increase \$0.30                           |                                  |
| Trialling new technologies, including microgrids and small-scale renewables, that will improve efficiency and lower network expenses   | No impact                                 |                                  |
| Off peak charging available and related services piloted   | N/A                                       |                                  |
| Due to lack of popularity, we have only increased fixed charges by \$5 p.a., with offsetting reductions in variable charges which allows slower progression towards cost-reflective pricing  | N/A                                       |                                  |
| No locational or seasonal pricing  | N/A                                       |                                  |
| Network charging plans updated, with opt-out for all residents and small business  | N/A                                       |                                  |
| New default prices assignment for customers installing new innovative technologies to encourage efficient use  | N/A                                       |                                  |
| Microgrids will be piloted, with pricing trials undertaken and policy propositions   | N/A                                       |                                  |
| Education on our network charges enhanced  | N/A                                       |                                  |

## Appendix 3: End of Session Questionnaire

We would like your help to evaluate today's session so would be grateful if you could complete this questionnaire.

1. Based on your experience today, please indicate whether you Strongly Agree, Agree, Disagree, Strongly Disagree or Neither Agree or Disagree with each of the following statements (by placing a tick in the relevant box)

| PLEASE TICK ONE BOX ON EACH LINE   | Strongly Agree           | Agree                    | Neither agree or Disagree | Disagree                 | Strongly Disagree        | Don't know               |
|--|--------------------------|--------------------------|---------------------------|--------------------------|--------------------------|--------------------------|
| a. I enjoyed taking part in the session  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. It was informative and I feel I have learned a lot                            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. The session was well organised and structured                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. I was able to provide my views and contribute during the session              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. I think Essential Energy will act on the information from this session        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f. I think events like this are a good way of consulting the public about issues | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

2. What were the strengths of the session today?

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3. What do you think could have improved the session today?

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Thank you for your time and participation.