

Essential Energy

2019-24 Draft Determination - Next Steps

13 November 2018

Our Vision, Purpose and Values

empowering

Our Vision

What we want to be

Empowering communities to share and use energy for a better tomorrow.

Our Purpose

What we stand for

To enable energy solutions that improve life.

Business Objectives

- Continuous improvements in safety culture and performance
- Operate at industry best practice for efficiency, delivering best value for customers
- Deliver real reductions in customers' distribution network charges
- Deliver a satisfactory Return on Capital Employed

Our Values

What we care about



Make safety your own



Be easy to do business with



Make every dollar count

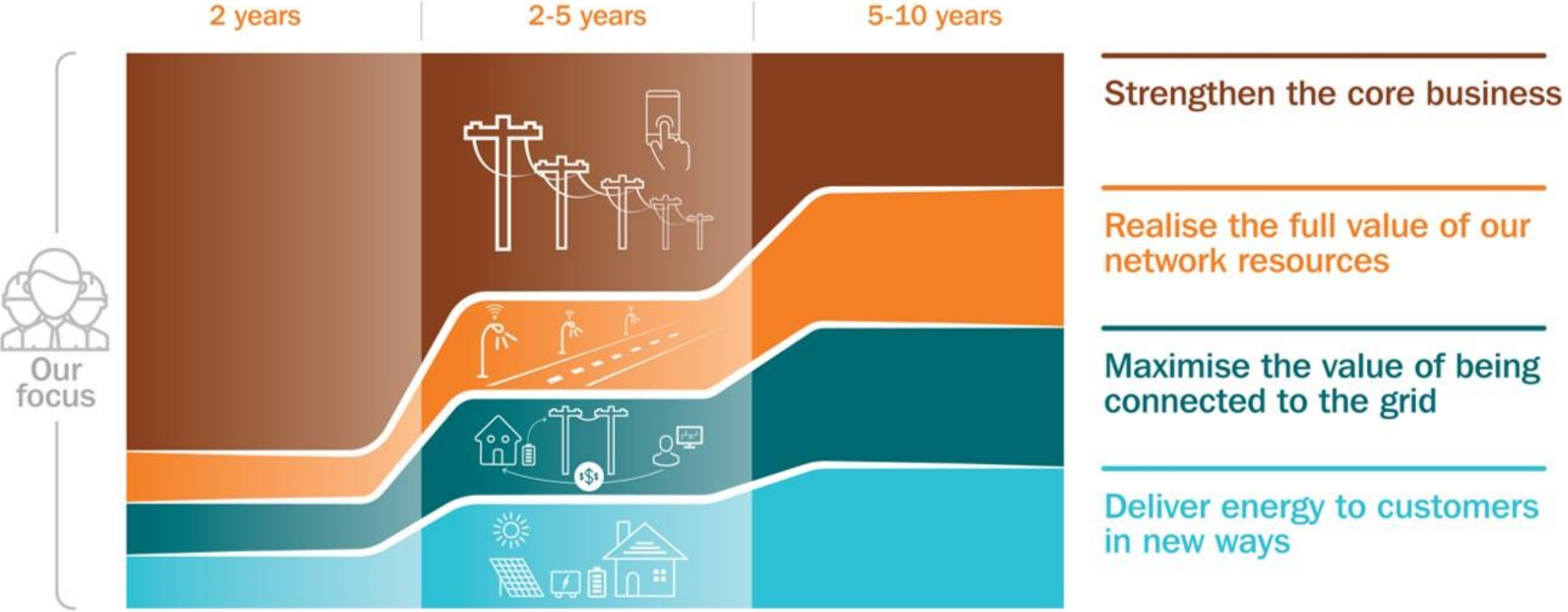


Be courageous, shape the future



Be inclusive, supportive and honest

Business strategy



Listening to our customers

Phase 1: Understanding our customers



Launch of Discussion Paper

Jan-Jun 2017

- > 6 mini groups
- > Online survey n=752 residential customers and n=250 SME's
- > 11 in-depth interviews with stakeholders and large customers
- > 7 Deliberative forums
- > Dedicated microsite

1,590
total customers and
stakeholders engaged

Phase 2: Deep Dive



Engagement Focus Paper

Jul-Sept 2017

- > 6 mini groups
- > Online survey n=754 residential customers and n=250 SME's
- > 16 in-depth interviews with large customers and stakeholders
- > 7 Deliberative forums, 54% repeat attendees
- > Dedicated microsite

1,598
total customers and
stakeholders engaged

Phase 3: Testing



Finalising Regulatory Proposal

Feb 2018

- > 2 mini groups
- > 3 'Closing the loop' forums
- > Email materials to all participants
- > Deliberative survey
- > Dedicated microsite

300+
total customers &
stakeholders engaged

Phase 4: Refining



Respond to AER Draft Determination

Nov 2018

- > 3 deliberative customer forums
- > 3 Stakeholder deep dives
- > In-depth interviews with large customers & Retailers
- > Dedicated microsite

100+
total customers &
stakeholders engaged

Jan 2017

Stakeholder engagement embedded in business strategy & culture

Nov 2018

What our customers told us



Safety of customers and staff was seen as essential for doing business



Affordability

Essential Energy should be affordable for all. Network should provide value for money



Reliability

Ensuring electricity supply is available at all times. Minimum disruptions



Good customer service and communication

Good service in terms of call centre, response times and communication regarding disruptions



Encourage renewables

Working towards renewable sources of energy/caring for the environment



Bill Transparency

Showing a breakdown of components of bill and associated costs



Innovative Technologies

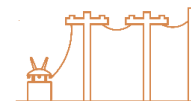
Investigating and embracing new technologies to help efficiently distribute energy

AER Draft Determination

Essential Energy accepts the
AER's Draft Determination



**Operating
Costs**
\$1,718M
100% ACCEPTED
by AER in
Draft Determination



Capital Costs
\$2,081M
99.09% ACCEPTED
by AER in
Draft Determination

AER proposed an industry-wide
0.38% reduction in the
Rate of Return
5.96%



**2019-24
Revenue
Allowance**
of
\$4,924M



**Average Real
Network
Charge
Decrease**
of
0.44%

Revised Proposal: focus areas



8 January 2019

Tariffs: customer engagement

When should tariff re-assignment occur?

Time of Use or Demand?

Tariff assignment based on technology?

Ability to opt out of cost reflective tariffs?

Peak demand charging windows?

RAB: options to address growth

Network of the Future: leveraging new technologies on the network

Staying engaged...Always On



Essential Engagement



Face to face



Website



Email



Phone



SMS



Twitter



Facebook



Letters

Essential Energy

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