Through September 2013 to the end of January 2014 Ergon Energy undertook an online survey to help build our understanding of our customers' concerns and inform our future investment plans. This report provides a summary of the feedback received through the survey, across the following four core topics:

- Electricity affordability and value for money
- A dependable electricity supply
- Ergon Energy's impact on the community and broader corporate responsibilities
- How Ergon Energy can best meet our customers’ needs in the future.

THE BACKGROUND

The Online Stakeholder Survey is part of a broader engagement program that we are undertaking to assist us in balancing the outcomes we are trying to achieve.

The survey format provided an open framework for feedback. Thought starters were provided, but all feedback was welcome.

The introduction to the survey recognised the fact that electricity affordability is a major concern, and outlined the challenges Ergon Energy is facing in addressing the cost pressures on electricity prices. Ergon Energy’s goal to limit increases to network charges on average to less than the Consumer Price Index (CPI) over the medium term was also introduced, while confirming our commitment to delivering a dependable electricity supply, providing good customer service and being a responsible utility provider both now and in the future.
While the feedback received is qualitative only, the sentiment largely reflects the findings (and importance placed on issues) of the quantitative cost service trade-off customer research also recently undertaken. These findings are in a separate report on our web page.

Those that participated in the survey and requested a summary of the feedback have been emailed this report. The report has also been presented to Ergon Energy’s senior management.

Who participated in the survey?

Sixty people provided feedback through the survey – including both residential and business customers (from across our service area, from various industry sectors, including the agricultural sector, and from groups with varying degrees of exposure to our industry).

The survey was open for over five months (on the web page www.ergon.com.au/futureinvestment) to provide a channel for all interested customers and stakeholders to become involved and be heard.

The survey was promoted on Ergon Energy’s home page, using this click through ‘tile’, though the news media and through a range of stakeholder channels, as well as through our internal communications (for employees to invite their customer contacts to participate or to comment themselves as informed Ergon Energy customers). There was no financial incentive or reward for completing the survey.

The survey was launched publically at our July 2013 stakeholder event, Townsville - Creating Energy Futures for Queensland. This event allowed over 50 stakeholders to discuss the challenges and opportunities currently facing Ergon Energy, and the industry, and to see how they could be involved in the solution. Engagement then continued at an Agforce conference and at both the Annual Conferences for the Local Government Association Queensland (LGAQ) and the Local Government Managers Australia (LGMA).

The survey was also promoted through Ergon Energy’s Customer Council. The Council brings together representatives from nine peak organisations from across regional Queensland (including CCIQ, QCOSS, Agforce, COTA, LGAQ, UDIA). A range of other end user groups and peak body stakeholders were also invited to participate. In addition, over 100 of our regional stakeholders were approached and given the opportunity to for input. We also addressed a number of regional community groups and invited them to get involved.
WHAT THE PARTICIPANTS SAID...

Electricity affordability and value for money:

The thought starters….

- What are your views regarding the cost of electricity? Think about the price you pay for what you receive.
- Do you think our current goal (of limiting increases to average network charges to less than CPI over the medium term) is appropriate even if this means deferring some network expenditure out to future years?
- What are the things you value about the current service we provide (e.g. our disaster response, our local presence, outage response or other specific services)?
- What else could we offer to deliver greater value to you (e.g. advice, tools or products to help manage your electricity use, new ways to interact with us online or a better experience when you call us, less frequent blackouts, or new tariffs that reward using power outside peak times)?
- In what areas do you think we should be investing to improve our service even if it adds to the cost of electricity?
- In what areas of our operations do you feel we could make further cuts? Are you willing to forgo electricity reliability standards or services for price savings? Alternatively, are there areas that we should not cut in order to address rising prices?

Most who participated in the survey had concerns about the rising price of electricity. Some, however, still saw the service as value for money.

Yes, we are very concerned about the increased cost of electricity...

I think the recent price rises are crazy! We are pensioners, and it is fast getting to the stage where it will be out of our reach.

(Quarterly bills) give the perception that electricity prices are high. You wouldn’t give a second thought about buying a $5 coffee.

There was general support for the goal of limiting increases to average network charges (Ergon Energy’s part of the bill) to less than CPI.

I would like to see Ergon’s costs stabilise and agree that something less than CPI each year is a great goal to aim for.

… but a number commented that they did not want this to be at the expense of reliability, or our local presence or response capability.

Reliability standards and services should not be considered as price savings.
There was strong praise for Ergon Energy’s disaster response – this is consistent with stakeholder feedback generally.

We were badly affected in the January floods and Ergon needs to be congratulated on their response in our area. Your boys did some great work... they would have consoled many heartbroken people.

The financial burden of the Solar Bonus Scheme on the whole customer base was raised by a large number of participants. This was not prompted in the thought starters. There was also feedback relating to other government’s policies.

The solar feed-in tariff is ridiculously expensive to all consumers and similar future schemes must be avoided.

...however, there was also a word of caution

The Government and Ergon encouraged the uptake of solar so consumers who put it in should not be charged extra or disadvantaged in any way.

The opportunities provided for Ergon Energy to save money ranged from getting customers to ‘read their own meter’ to ‘reducing the reliability standards’. Other suggested savings related to:

- the compensation paid for Guaranteed Service Level
- upgrading to energy efficient street lighting
- reducing management and industry overheads
- reducing ‘over-engineering’ on the network
- looking at efficiencies in maintenance practices
- stand-alone supply options for remote grid customers.

The areas where service improvement was seen as necessary were around improving our online information about outages; prioritising vegetation management; and addressing waiting times for the electricity to be connected.
A dependable electricity supply:
The thought starters….

- What does a dependable, reliable electricity supply mean to you?
- Do you have any specific concerns about your electricity supply? Think about blackouts, planned outages, our response times, consistent supply/voltage fluctuations and connections/disconnections.
- How do you want to be informed about planned outages or of our restoration efforts during unexpected outages?
- To what extent do you support network improvement? For example, to lift the resilience of the network or reliability of supply in times of natural disasters; or put the network underground?
  - What if this improvement means that groups of customers, such as those who provide critical services or who are in a town’s CBD, are better off?
  - What if this investment addresses areas currently experiencing poor reliability, but adds to the cost of electricity for all?
- What is your willingness to pay more for increased reliability of electricity?

Those who participated in the survey had different experiences around reliability of supply. Some noted significant improvements over recent years, and were grateful; some were willing to let reliability fall for price savings; for others reliability remained an issue.

... there has been a very marked improvement over the last 10 years in the reliability of our power and particularly in the storm season and I would not be prepared to accept a decrease in that high standard.

I would be willing for a lesser reliable network if it meant keeping prices (down), I can barely remember the last time an unplanned outage occurred.

Some participants addressed the topic of underground power. Many saw benefits, others recognised the costs and other disadvantages.

Absolutely moving the network on a whole underground would be beneficial particularly in the storm/cyclone north. Critical services should always have dependability.

There was general support for improving supply to those experiencing poor reliability. However, some did not think this investment was justified.

I have no issues with this work being prioritised to fix critical services or those experiencing worst service then myself.
The importance of a local presence to our outage response capability was raised by a large number of participants. This is in line with stakeholder feedback, particularly across western Queensland.

I believe maintaining a local operational presence in our smaller communities is important. It is a little like insurance. It costs even if not used but when a natural disaster occurs it will be worth its weight in gold.

There were only a small number who commented on outage communications…

I would be prepared to receive an email notice - mind you one of our son’s properties does not get reliable email coverage, as well he has elderly neighbours who don’t own a computer so that would have to be very carefully planned.

Ergon Energy’s impact on the community, and broader corporate responsibilities:

The thought starters…

- How active should we be in the communities we serve, and what does this mean to you?
- What do you believe Ergon Energy’s corporate responsibilities are?
- Should any of these be a focus for Ergon Energy?
  - Maintaining a local operational presence in our smaller communities, even if it adds to the cost of electricity?
  - Improving the visual appearance or community impact of our network, eg. undergrounding or relocating electricity powerlines, or street scaping?
  - Community electrical safety education?
  - Supporting local community groups?
  - Environmental impacts, carbon footprint, climate change?
  - Local employment and/or apprenticeships and other vocational training opportunities?

Those who participated in the survey generally saw Ergon Energy as performing well from a corporate responsibility perspective.

I believe Ergon’s corporate responsibility is well managed, particularly customer education, and wouldn’t like to see cuts in this area.
Maintaining a local presence, with local employment opportunities, was seen as core to our corporate responsibility. This is aligned to the desire for regionalisation expressed through the Queensland Plan. Some, however, expressed that the cost of electricity should come first.

Job opportunities are very limited in rural and remote areas so any job/apprenticeships opportunities play a huge role the local economy and social aspects of our communities.

Only a small number commented on environmental matters; about the visual or community impact of electricity infrastructure or our leadership in energy conservation.

Visual amenity is a key issue but we need to balance this against costs to others.

Electrical safety and building community awareness of electrical safety was seen as a core corporate responsibility of Ergon Energy – although one person noted that the State Government had a role to play.

Community electrical safety education is essential and your company delivers it particularly well.

Views on the role we have in supporting community groups varied from giving support to major initiatives to support for grass root activities.

Every good corporate citizen should have a ‘give back to the community’ in some shape of form.

Our investment in our apprenticeship program was largely supported.

Ergon definitely needs its apprenticeship programs to help prevent another skills shortage like happened a few years ago and provide opportunities for our youth.

How Ergon Energy can best meet our customers’ needs in the future:

Ergon Energy has to constantly upgrade the network and evolve the management of it to stay relevant both now and into the future. The take up of air conditioning and solar, most recently, has changed when and how our customers use our network. Around the corner even more technological advancements, such as electric vehicles, battery storage and new energy control systems may have an even greater impact on your expectations of our network and the role we play.

As we move into this new world, we will need to be increasingly ‘information enabled’ – and use new technologies to help deliver the service standards our customers expect at an affordable price. We will also need to make sure that the way we charge for the use of the network best reflects the costs associated with the way different customers use it. To do this we may need to replace existing meters with more advanced meters. We believe this could benefit our customers by providing them with more information on their electricity supply and to help them better manage usage and reduce bills.
To encourage comments on this future, these thought starters were given …

- To what extent do you support improving the network and our systems in terms of continued uptake of new technologies (even if this adds to our costs in the short-term)?
- Do you have any thoughts relating to the take up of solar energy systems?
- Would you support the phased introduction of tariffs or charges that more closely reflect the costs associated with how a customer uses the network, even if there are ‘winners’ and ‘losers’?
- Can you see benefits for you personally in the installation of a ‘smart’ meter in your home or business?
- Are you considering new ways to manage your electricity use or changes to the way you use the network?

Support for investing in the network to enable alternative supply options and other customer technologies was strong, but only if it delivers efficiencies or cost savings for the customer. Our role in supporting solar specifically, however, was polarised.

I will always be open to new technologies that will reduce my electricity bill. Therefore I believe Ergon needs to improve its network and systems now to enable these new technologies.

There was significant comment on the need for tariff reform. A diverse range of participants expressed a desire to be financially incentivised to switch to using off peak supply. Concerns were raised around the impact of increasing fixed service fees.

There isn't enough incentive to change tariffs eg 11 to 12 or to start changing behaviours to use electricity at different (non peak) times.

Smart meters were supported by those who could see the benefits to them in controlling costs, but there was a low understanding of the benefits.

Smart meters are essential, together with educational programs on how to interpret and respond to them.

And by way of a summary:

The focus should be on sustainability in the long term, both in terms of financial sustainability, the ability to meet the community’s expectations...