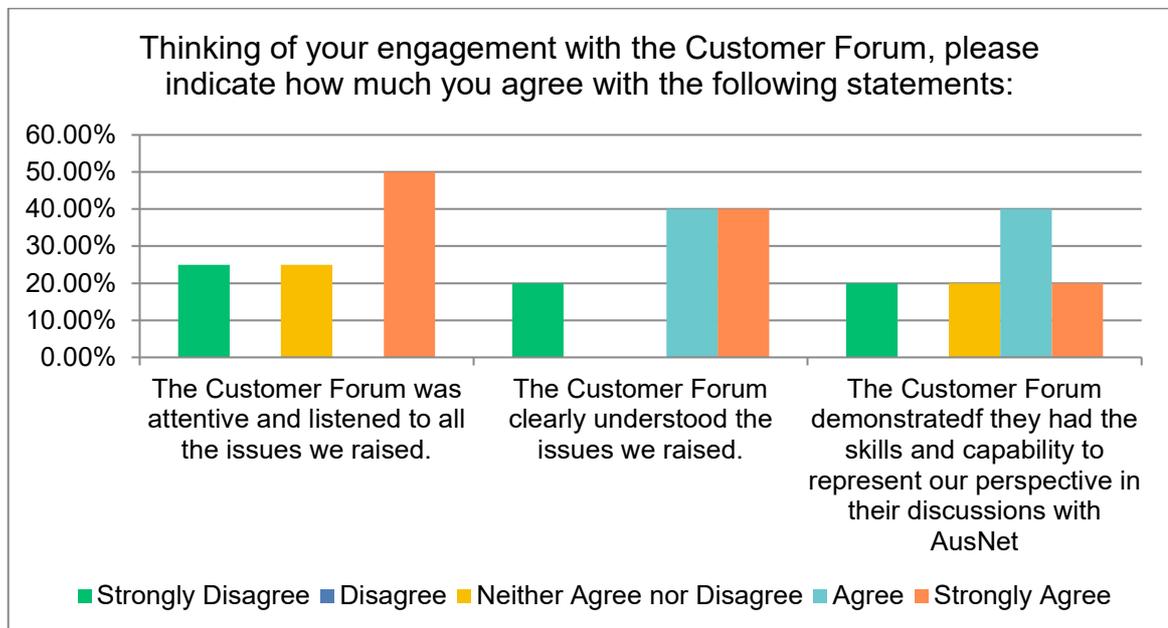


ECA Survey on consumer advocate engagement with the Customer Forum

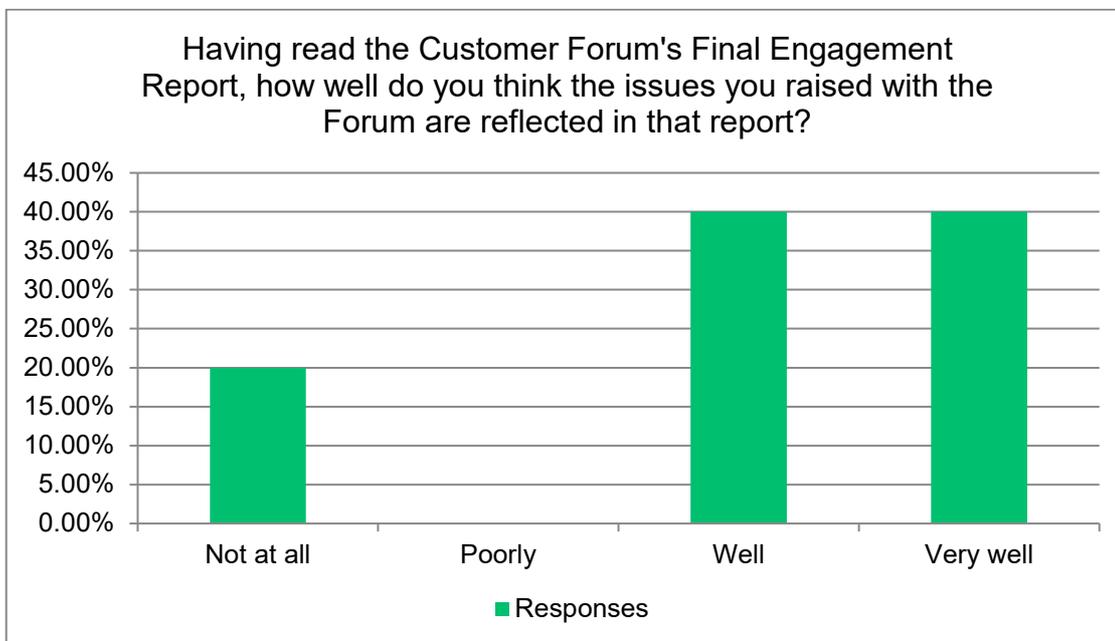
ECA sent a short survey to twelve organisations that represent consumers (not all with dedicated energy programs) that had been named by the Customer Forum in its final engagement report as having been engaged with. Six parties responded to the survey and three asked to take up the offer to be interviewed.

Quantitative results

Respondents were mostly positive about the Forum’s understanding of issues raised and of the skills of the Forum.



Respondents were mostly positive about the Customer Forum’s final report reflecting the issues they raised.



Respondents were presented with the following extract from AusNet's proposal, and asked how well they thought it represents consumer issues from the perspective of their organisation?

What our customers value most from us

Affordability: This is always a key concern of our customer and relates to concern for their total bill, as well as the electricity distribution part of their bill. This is the issue that is at the top of customers' minds. The majority of our customers surveyed consider that bills are increasing and that affordability, particularly for vulnerable customers, is a strong concern. This was highlighted in the ECA submission to our Draft Proposal, who noted affordability continues to be the primary concern for consumers.

Reliability: Customers generally expressed satisfaction with the level of reliability, and understanding about occasional outages. However, there is a desire for better communication when outages do occur. Also, both residential and business customers are concerned by future pressures on our ability to maintain reliability including population growth and the performance of the network over summer.

Views of business customers: Business customers have very strong concerns about affordability and in most cases place a higher value on reliable electricity supplies than residential customers.

Customer views on aspects of proposal in scope of negotiation with the Customer Forum

Customer experience: Customer satisfaction surveys and complaints data identified key "pain points" for electricity distribution customers as our solar connection processes, new electricity connection processes and outage management processes. Customers are also seeking improvements to how AusNet Services manages so-called High Voltage Injection events (which are infrequent events where a fault in our network can damage customers' electrical equipment) and the claims processes that arise from these events. Across the board there is also a desire for improvements in our communications with customers: in terms of convenience, timeliness and accuracy.

Support for solar exports: Customers did not always understand that solar exports onto the network can cause voltage problems for our distribution network. Our customers expect to be able to export excess solar onto the network and the majority would be very unhappy if this were restricted. There was support

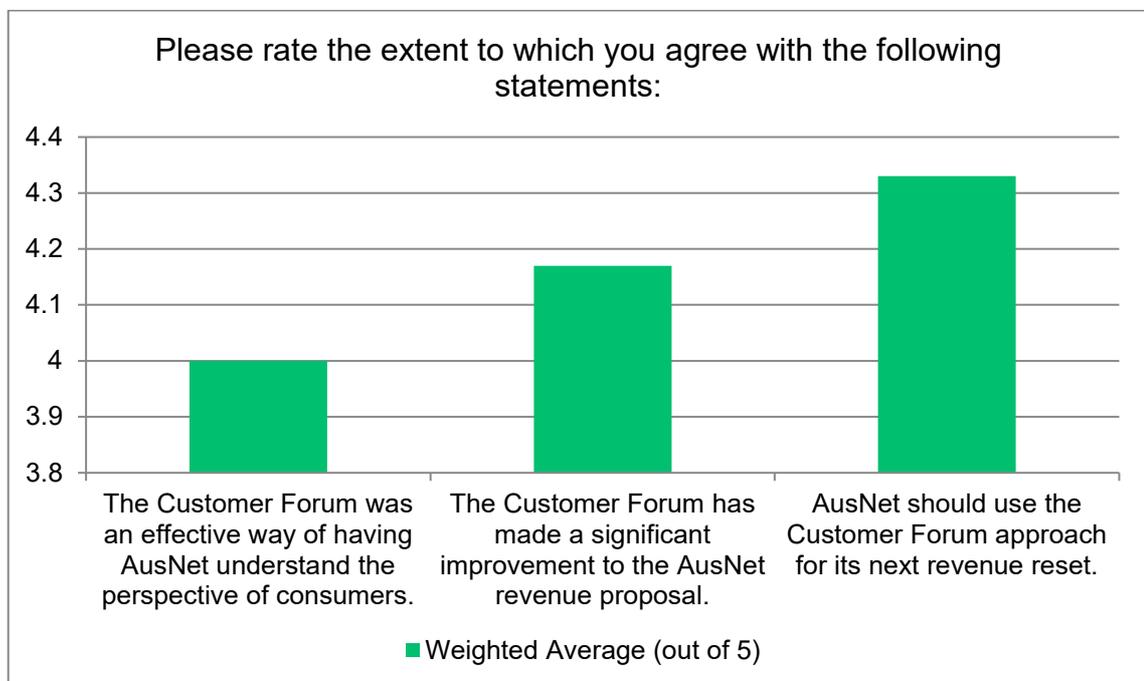
for sensible investment to allow solar exports so this valuable energy is not wasted and can reduce cost pressures for all customers, through expected reductions in wholesale market prices. Customers sought a clear understanding of the likely degree of constraints on solar, with and without investment. There was support for sharing of the costs of allowing solar exports, including with government.

Innovating to transform the network: Customers understand the energy system transformation. They support modest innovation to prepare for, and assist, this change – as long as tangible benefits for customers are delivered. There is greatest support for innovation activities that deliver benefits across the customer base and that benefit the wider community. The need to prepare for mass market electric vehicle uptake is seen as a longer term issue.

Network expansion plans: Customers were concerned by consideration of delaying projects to reduce costs in the short term where this may potentially have reliability impacts. While the survey research done has its limitations, there appears to be a strong customer preference for maintaining reliability and ensuring that there is no undermining of this core service provided by our electricity network.

Of the 5 responses to this question 2 responded Very Well and 3 Well. (There was a fault with the structure of this question for the first respondent)

Respondents believe the Forum was effective, that it made an improvement to the AusNet revenue proposal and that AusNet should use the approach again.



One participant provided a response to the opportunity for a free form comment at the end, being:

CCP17 considers that it is too early to judge whether AusNet should use a Customer Forum for its next revenue reset

Qualitative Responses

A consistent theme across the three interviews was that consumer advocates did not recognise themselves as being 'engaged' when they were part of a public forum. This was particularly true if the public forum was structured as being organised by AusNet with the Customer Forum in attendance. (one of these respondents gave the ratings of Strongly Disagree in the first set of quantitative results).

There was a perception by one respondent that other networks took a more sophisticated approach to customer segmentation.

One respondent feels the process was very effective for AusNet because it was very much at the back of the pack in the quality of its engagement to begin with. This view has also been separately echoed by AusNet itself.

Overall respondents still feel it is too early to fully evaluate because the proposal has to go through the AER process. There are two extremes in the views about this process: one is that it remains essential to test the efficiency of AusNet's costs, the other is that the AER efficiency testing might become dismissive of the expressed consumer preference.