



Methodology

Electricity: Value Rank

2019

What does the Canstar Blue electricity comparison tool compare?

Canstar Blue's electricity comparison tool, allows consumers to compare the estimated annual price of a plan against its included features for each of these three main categories:

- **Customer Service and Support** – application channels, website and mobile usability, online help and support, call centre, and other support services.
- **Billing and Payments** – payment frequencies, statement and billing options.
- **Plan Flexibility** – fees and charges, contract specific terms, solar options, and additional services.

Canstar Blue considers plan features most relevant to consumers in the calculation of Value Rank. However, not every feature is included in the Value Rank, nor every feature that is relevant to you.

What are the types of plans compared on the electricity comparison tool?

Canstar Blue's electricity comparison tool compares single rate and controlled load plans. The following eligibility criteria are applied for single rate and controlled load electricity plans.

Plan Type	Description	Eligibility Criteria
Single Rate	<p>Standard residential retail electricity tariff for general residential electricity supply.</p> <p>Consumers pay the same price for each kilo-Watt-hour (kWh) used, or, a flat usage rate is charged for 'blocks' of electricity consumed and could be limited amount per day, month, quarter, or, season, which may include a second block with a different usage rate applied.</p>	<p>Plan must be available under a single rate tariff which may be called:</p> <ul style="list-style-type: none"> • Anytime rate • Flat rate • Peak rate • Standard rate • Tariff 11 <p>Does not include:</p> <ul style="list-style-type: none"> • Demand tariffs • Solar feed-in tariffs • Specific Controlled load plans • Tariff 12 • Time of Use tariffs
Controlled Load	<p>Residential electricity tariff dedicated to large, high energy-usage appliances that are often metered separately to the rest of the property and run on off-peak times (usually overnight).</p> <p>Controlled load tariffs may be used for hardwired appliances, such as, but not limited to, hot water systems, pool pumps, or, underfloor heating.</p>	<p>Plan must be eligible under single rate tariff (as above) with the availability of a controlled load tariff, or, plans must be a controlled load specific plan, which may be called:</p> <ul style="list-style-type: none"> • Controlled Load 1 • Controlled Load 2 • Off-peak • Tariff 31 • Tariff 33 • Two-rate tariff <p>Does not include:</p> <ul style="list-style-type: none"> • Tariff 35

How are electricity usage estimates determined?

New South Wales, South-east Queensland, and South Australia

Canstar Blue's electricity comparison tool allows consumers to enter in actual bill details to estimate annual electricity usage; if a bill is not available, an estimated annual electricity usage based on the Australian Energy Regulator's (AER) model annual usage for residential customers in the distribution region is assumed (as seen below).

State	Distributor region	Annual Usage Assumptions (in kWh)*		
		Single Rate	Single Rate + Controlled Load	
NSW	Ausgrid	3,900 kWh	4,800 kWh <i>single rate</i>	2,000 kWh <i>controlled load</i>
	Endeavour Energy	4,900 kWh	5,200 kWh <i>single rate</i>	2,200 kWh <i>controlled load</i>
	Essential Energy	4,600 kWh	4,600 kWh <i>single rate</i>	2,000 kWh <i>controlled load</i>
QLD	Energex	4,600 kWh	4,400 kWh <i>single rate</i>	1,900 kWh <i>controlled load</i>
SA	SA Power Networks	4,000 kWh	4,200 kWh <i>single rate</i>	1,800 kWh <i>controlled load</i>

*source: [AER Final Determination - Default Market Offer \(DMO\) Prices - April 2019](#).

Victoria

Canstar Blue's electricity comparison tool allows consumers to enter in actual bill details to estimate annual electricity usage; if a bill is not available, an estimated annual electricity usage, based on the Victorian Government's annual reference consumption for domestic customers in the distribution region is assumed (as seen below).

State	Distributor region	Annual Usage Assumptions (in kWh)*		
		Single Rate	Single Rate + Controlled Load	
VIC	AusNet Services CitiPower Jemena Powercor	4,000 kWh	4,000 kWh <i>single rate</i>	2,000 kWh <i>controlled load</i>

*source: [Victorian Government's Victorian Default Offer \(VDO\)](#).

Australian Capital Territory and Tasmania

Canstar Blue's electricity comparison tool allows consumers to enter in actual bill details to estimate annual electricity usage; if a bill is not available, an estimated annual electricity usage is determined via questionnaire, which queries certain variables which contribute to electricity usage. Electricity usage estimates are based on the Australian Energy Regulator (AER) [electricity and gas bill benchmarks for residential customers, December 2017](#).

Canstar Blue takes into account a number of variables which determine the estimated amount of usage for a particular household. A combination of variables, such as location (i.e. state/territory), climate zone, household size, and six other variables considered, produce consumer usage profiles with varied estimated annual usage. The following combination of variables determine the estimated usage for each profile:

State/Territory	Climate Zone*	Household Size	Loading Variables^
ACT TAS	1	1	<ul style="list-style-type: none"> Electric heater Electric water heater Electric underfloor heater Gas Pool Split-system/reverse-cycle air conditioning
	2	2	
	3	3	
	4	4	
	5	4	
	6	5+	
	7		

^each climate zone measures a subset of the above listed loading variables. For climate zones that do not have certain loading variables measured, the bordering climate zone are assumed as the loading variable usage estimate. Postcodes are mapped to climate zones as per the [Australian Building Codes Board](#). *not all states/territories will have each climate zone within them.

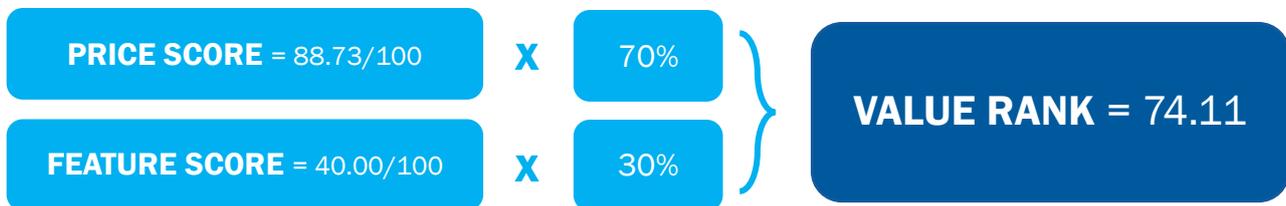
How does it work? How is the display order determined?

The plan's Value Rank, or, display order, is determined by the price score and the feature score. Canstar ranks electricity plans based on value-for-money. Whereby, the Value Rank takes into account a plans' estimated annualised price and features offered as compared to the market. The plans that are lower in cost and have higher features will be ranked higher than plans which have higher cost and less features.



$$\text{VALUE SCORE} = \text{PRICE SCORE} + \text{FEATURE SCORE}$$

The plans are ordered by Value Rank (i.e. value score), which incorporates a price score weighted at 70% and a feature score of 30%. Below is an example of how the Value Rank score is derived, using the raw weighted figures from the price score and feature score.



Price Score

The Price Score is based on the estimated annual price of a plan. The estimated annual price includes usage charges, supply charges, and any discounts included in the plan. The lowest cost plan will receive the top score with all other plans receiving a score relative to the lowest cost plan.

The following is a general representation for calculating the estimated annual price of a plan:



The following assumptions are applied in the calculation of estimated annual price:

Annual Price (Estimated) is based on the following:	
Period	365 Days.
Usage	<p>Based on either actual bill details, or, usage assumptions determined by postcode and may be one of the following:</p> <ul style="list-style-type: none"> • New South Wales, south-east Queensland, and South Australia Usage assumptions are based on the Australian Energy Regulator’s (AER) model annual usage for residential customers in the distribution region. • Victoria Usage assumptions are based on the Victorian Government’s annual reference consumption for domestic customers in the distribution region. • Australian Capital Territory and Tasmania Usage assumptions are based on the AER electricity and gas bill benchmarks for residential customers, December 2017.
Supply Charges	Applied against the period outlined.
Usage Charges	<p>Applied against the period and usage outlined with consideration to (where applicable):</p> <ul style="list-style-type: none"> • Single/Standard/All Usage Rate Pricing. • Usage Tiering (e.g. first 0 to a kWh is charged at x cents/kWh, second a to b kWh is charged at y cents/kWh, etc.). • Seasonal Usage (e.g. summer and winter pricing).
Controlled Load	Based on either actual bill details, or, usage assumptions (as above), controlled load tariffs, and supply charges are applied. For usage assumptions, a portion of the usage are allocated under controlled load tariffs.
Discounts	Where a direct debit, on-time payment, electronic statement, or, pre-payment discount is applicable they are applied against the appropriate charges.

Feature Score

Canstar Blue's electricity feature score uses a unique methodology that compares the functionality and flexibility of energy providers and their plans. Over 100 features are captured on each plan and grouped into three categories as outlined below:

- **Customer Service and Support** – application channels, website and mobile usability, online help and support, call centre, and other support services.
- **Billing and Payments** – payment frequencies, statement and billing options.
- **Plan Flexibility** – fees and charges, contract specific terms, solar options, and additional services.

The plan with the highest feature score is allocated the maximum score, with all remaining plans within the profile scored against it. Canstar Blue considers plan features most relevant to consumers in the feature score. However, not every feature is included in the feature score, nor every feature that is relevant to you.

Description	Weight	Examples of Features Captured
Customer Service and Support	40%	
Call Centre	35%	Hours/days of availability for the call centre.
Website and Mobile Usability	25%	Payment portal; ability to view billing and/or usage history online; interactive usage graphing/charts, etc.
Online Help and Support	20%	Online chat available; customer queries supported on social media.
Customer Satisfaction	10%	Customer satisfaction rating.
Application	5%	Ability to apply online or by phone.
Other Services	5%	Availability of interpreter, hearing impaired and vision impaired services; FAQs; and customer complaints facility.
Billing and Payments	30%	
Payments	60%	Payment options, such as: BPAY, direct debit, online, phone, AusPost, PayPal; processing fees (credit card, direct debit, etc.).
Billing	40%	Billing frequency and notification.
Plan Flexibility	30%	
Contract Specific Terms	50%	Plan waiver, discount, and discount period.
Fees and Charges	30%	Account establishment, late payment, and termination fee.
Solar Power	15%	Availability of solar calculators, graphing/charts, and alerts from smart meters.
Additional Services	5%	Appliance installation, home energy check-up, relocation services, and solar or battery installation.

The feature categories are displayed on Canstar Blue's comparison tool as a rounded number between 1 & 10. The raw weighted scores of the feature categories are used for this display purpose.



e.g. 1: A score of 85.00 for the category of 'Billing & Payments' is rounded to display as a '9'.

e.g. 2: A score of 67.35 for the category of 'Customer Service & Support' is rounded to display as a '7'.

e.g. 3: A score of 51.23 for the category of 'Plan Flexibility' is rounded to display as a '5'.

Does Canstar rate all products in the market?

We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However, this process is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant to you.

How often are plans reviewed for the electricity comparison tool?

Canstar monitors changes on an ongoing basis; the Value Rank, Pricing Score, and Feature Scores of each plan are calculated every day.

How are the plans ordered?

Canstar ranks electricity plans based on value-for-money. Whereby, the Value Rank takes into account a plans' estimated annual price and features offered as compared to the market. The plans that are lower in price and have higher features will be ranked higher than plans which have higher price and less features.



DISCLAIMER

Canstar Blue Pty Limited's ACN 142 285 434 ("Canstar Blue") website terms and conditions apply to your use of this information. You must get Canstar Pty Ltd's ACN 053 646 165 (Canstar) written permission before you reproduce, repackage, resend, transfer, redistribute, resell or store for later use any information in this report.

All information that Canstar Blue obtains from external sources is believed to be accurate and reliable. Canstar Blue will not be liable in connection with any error or other circumstances whatsoever associated with the collection, compilation, analysis, interpretation, communication, publication, or delivery of such information. Copyright 2017 Canstar Blue Pty Limited ACN 142 285 434.

The word "Canstar" and the Blue star in a circle logo (with surmounting stars) as well as "Be Canstar Sure" and versions of the foregoing are trademarks or registered trademarks of Canstar and must not be used without permission. If Canstar Blue refers to third party products, services or other information in any way, this does not imply that the respective trademark owner endorses, sponsors or recommends Canstar or Canstar Blue.