

Pend Oreille PUD Broadband Survey

Executive Summary

On September 8, 2004, the Pend Oreille PUD board of commissioners authorized a survey to be taken of the electric system customers of the PUD as part of overall Community Network System business planning. 7,763 households received a survey included in their monthly power bill beginning September 24, 2004. 1,029 completed surveys were returned. The purpose of the survey was to answer:

- What level of demand, if any, exists for broadband services in Pend Oreille County?
- What price, if any, are customers of Pend Oreille PUD willing to pay for broadband service?

The survey covered the following general areas:

Demographics

Of those responding, 39 percent are homeowners, 26 percent retired, 19 percent employed, 6 percent business owners, 5 percent seasonal, 3 percent renters, and 1 percent unemployed. The majority, 49 percent, resides in area 99156 with the other areas somewhat equally represented.

What do our customers think of the PUD

The perception of our customers is that the District is currently offering reliable and fair cost products.

What is the current level of communication technology usage

Only 13 percent of our customers pay their electric bill online. About 66 percent have Internet access but only 8 percent have high-speed Internet access. 30 percent have Internet access at work and 21 percent have high-speed Internet access. 73 percent have an e-mail address, 59 percent have purchased online. 14 percent have a second phone line for Internet access and 16 percent would like to have a second phone line.

What are some of the possibilities of broadband communications

50 percent of our customers are aware of the PUD fiber optic system that is currently being used by retailers to provide high speed broadband to business, schools, libraries, and health care facilities. 38 percent of our customers are aware that broadband can be used to supply telephone service and 40 percent were not sure. Most, 46 percent, did not have an opinion on whether a broadband connection would make their property more valuable with 34 percent agreeing that it would. A large number, 70 percent, agree that high-speed Internet may make Pend Oreille County more attractive to business.

How do you view your current Internet capabilities

59 percent agree that Pend Oreille County needs faster Internet connections and 45 percent are not satisfied with their current Internet connection speed. 65 percent agree that high-speed Internet should be made available in all areas of the county.

Should the PUD build broadband facilities

58 percent support the PUD's effort in building broadband facilities while 29 percent are neutral. 54 percent believe the PUD should continue building broadband facilities with 29 percent neutral.

How should broadband facilities be paid for

Most respondents, 30 percent, indicated a willingness to pay up to \$25 per month for a high-speed Internet connection. 61 percent indicated they thought those who use the high-speed facilities should pay for them. Most respondents, 40 percent, would not be willing to pay anything for initial equipment requirements with 29 percent indicating they would be willing to pay up to \$100. 48 percent indicated they would not be willing to pay more even if the cost was spread over a period of months. 47 percent did not support that any of their electric rate be used to pay for high-speed Internet.

The comment questions

35 percent believe high-speed Internet access would be beneficial to all residents of the county and 26 percent felt it would be beneficial to business. 17 percent believe it to be nice but not necessary. The majority, 59 percent, believes those who use them should pay for the cost of broadband facilities.

Comparisons

All categories from retired to business owners' support the PUD continuing to build broadband facilities. Business owners show the greatest support with 73 percent agreeing that the PUD should continue. All zip code areas also support the PUD continuing to build broadband facilities. The greatest support is in zip code area 99153 with 67 percent neutral, agreeing, or strongly agreeing that the PUD should continue and the least support from zip code area 99152 with 41 percent.

Looking at those surveyed who agreed, disagreed, or were neutral that the PUD should continue building broadband facilities, what are their views on how it should be financed. 59 percent agreed the PUD should continue to build, 6 percent disagreed the PUD should continue to build, and 21 percent were neutral

As we would expect, those agreeing that the PUD should continue to build broadband facilities are willing to pay an Internet service provider more for broadband, are willing to pay more for initial equipment cost, and are more willing to have the build out financed by increased electric rates. The majority of all groups believe that those who use broadband should be the ones who pay for it.

Conclusion

A large number of our customers do not have an understanding of the services or benefits a broadband connection may bring to them. It appears one of the reasons for the gulf between "desire" for broadband and the "willingness to pay" for broadband is being unaware of some of the value that can be realized from broadband. Education may be an appropriate next step in bringing "desire" and "willingness to pay" together.