

10 February 2020

Ms Sarah Proudfoot
General Manager, Consumers and Markets
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

Sent via email: RegulatoryInnovation@aer.gov.au

Customer Service Incentive Scheme – Draft decision

Dear Ms Proudfoot,

Thank you for the opportunity to provide a submission in response to the Australian Energy Regulator's (AER) draft Customer Service Incentive Scheme (CSIS).

Energy Networks Australia is the national industry body representing Australia's electricity transmission and distribution and gas distribution networks. Our members provide more than 16 million electricity and gas connections to almost every home and business across Australia.

Energy Networks Australia supports the introduction of a principles-based CSIS which enables individual electricity distributors to propose bespoke incentive designs that reflect the preferences of their customer base.

Incentive schemes play an important role in the regulatory framework and changes in technology and customer expectations mean that those schemes related to customer service are more important than ever before. The scope of the current customer service measure within the distribution Service Target Performance Incentive Scheme (STPIS) is limited in its applicability and value to customers.

The AER's establishment of the CSIS under the National Electricity Rule's small-scale incentive scheme framework, however, encourages the trialling of new customer service-related incentive schemes. It also allows for flexibility in the scheme design conditional on the satisfaction of the proposed incentive design criteria.

This flexibility is fundamental as it recognises that each network will have a different customer composition and associated customer service expectations. Implementation of the CSIS aligns with the desire of individual distributors to reflect and adapt to their customers' preferences.

If you would like to discuss this matter further, please contact Lucy Moon, Head of Regulation at lmooon@energynetworks.com.au or 0419 839 666.

Yours sincerely,



Andrew Dillon
Chief Executive Officer