

Customer Service Incentive Scheme Draft Decision – Ausgrid submission

Regulation team - February 2020





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Ms Sarah Proudfoot
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Dear Ms Proudfoot,

Ausgrid is pleased to provide this submission to the Australian Energy Regulator (AER) on its draft Customer Service Incentive Scheme (CSIS).

We support the framework, principles and objective to provide distributors with an incentive to deliver customer service in accordance with the preferences of their customers. Distribution networks are evolving to give customers greater choice and control over how they consume and generate electricity. As the industry becomes more customer-centric, a refreshed customer service framework needs to evolve with it. We have sought and received input from customer advocates on the submission and believe the CSIS, with the development of new customer metrics, will enable this shift to help drive better customer service outcomes.

We would welcome the opportunity to discuss the issues raised in this submission in more detail. If you have any questions or would like to discuss further, please contact Sean Tedi, Regulatory Strategy Manager at sean.tedi1@ausgrid.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "Iftexhar Omar", written in a cursive style.

Iftexhar Omar
Head of Regulation

KEY MESSAGES

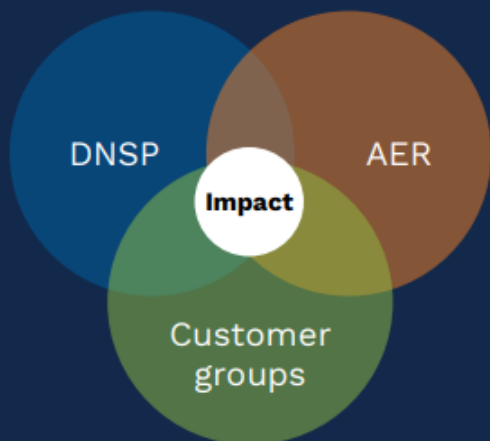
- We support the AER's principles-based approach to a Customer Service Incentive Scheme. The scheme should include robust, objective metrics (both qualitative and quantitative) that demonstrate evidence of customer support.
- There is merit in considering an online page where the scheme components of each business can be publicly shared, as transparency of customer service metrics is important to achieving equity across customers in different locations.
- In the following slides we have presented these considerations.

A principles-based approach to the CSIS allows distributors the flexibility to address differing customer expectations

In our previous submission we stated that:

Considerations:

Customer expectations may differ from each geography and even customer segment groups within the same geography. There is a challenge to find the right mix of standardisation and allowance of flexibility to account for this in the scheme. We suggest working with the business (Ausgrid/DNSP), Regulator and Customer/Customer Groups, to find the intersection between the three groups that brings maximum long-term impact.



Ausgrid supports the AER's principles-based approach to the CSIS as a framework that balances both standardisation and flexibility, and we agree that evidence of customer support for the scheme design is paramount

The CSIS allows businesses to explore and work with their customers to determine where they see the most value. 'Evidence of customer support' could come in different forms such as customer advocacy groups and internal/external data that demonstrates shift in customer sentiment.

Below, we provide additional comments on the potential scheme.

The publication of business metrics and approach to the scheme in a central location can help keep customers more informed

There is merit in considering an online page where the scheme components of each business is publicly shared in an easy to read comparison table. There are two reasons for this:

- 1) It allows distributors to look across other businesses in the NEM to draw ideas/inspiration to their own approach, contributing to innovative thinking over time.
- 2) It offers customers a platform to raise their awareness and review what is happening beyond their geography, which in turn could help draw ideas/inspiration for when they are engaged during the consultation period. This is supported by Council on the Ageing (NSW) stating that:

Publication of outcomes and metrics opens the potential for benchmarking and quality improvements across the industry and the possibility for a more informed customer. Such activity is desirable but often unknown to the public. It seems helpful that these measures are made available in correspondence with customers, invoices and on corporate and comparison websites to provide the opportunity to enhance the knowledge and hence the situation of customers. It is important that the scheme should be 'customer facing'.

A mix of both a qualitative and quantitative metric will allow for a more holistic scheme

Robust, objective metrics (both qualitative and quantitative) should be developed over time with the support of customers

We propose that distributors could be required to incorporate one quantitative and one qualitative metric.

This could be implemented in stages, as the business and the scheme evolves, for example:

Stage 1: “Get started” – pick one metric, qualitative or quantitative, with demonstrated support of customers.

Stage 2: “Additional metric” – include an additional metric to complement Stage 1, with demonstrated support of customers. If a qualitative approach is used in Stage 1, then a quantitative approach should be used in Stage 2 (and vice versa). There could be an option for public reporting of outcomes in a central location.

Stage 3: “Continuous improvement” – continue to measure and manage for efficacy – augment scheme as necessary.

This will provide a more balanced view to reporting on both the qualitative and quantitative dimensions. How these will be weighted and scored is to be determined.