

# AUSNET SERVICES EDPR 2021-26



AER Public Forum Presentation – 15 October 2020

- Comments reflect EUAA and MEU views
- Focus on consumer engagement

- We had no involvement in selection of Customer Forum and are unclear about their experience with C&I users that are ~40% of AusNet demand
- So we were naturally nervous about sub-contracting negotiation to the CF
- The CF has undertaken excellent CE with residential and small business
- The EUAA/MEU had only limited engagement with the CF
  - joint participation in AusNet deep dives and two CF meetings in August/October 2018
  - then no further engagement - not following EUAA's comprehensive submission on the Draft Plan and Interim Engagement Report in April 2019
- Draft Decision (p.46) says CE was 'collaborate' and 'empower'
  - our experience was a combination 'inform' and some 'consult', then nothing
- Draft Decision (p.48) says CE was 'appropriately broad', we see it differently
- In its extensive visits to AusNet customers listed in the Final Consultation Report, there are two visits to a C&I customer and no visits to EUAA/MEU members which have extensive operations across the network region

- AusNet did engage with its Customer Consultative Committee where EUAA is a member, but our experience of this was more ‘inform’ with a bit of ‘consult’
- EUAA previously commented on the narrow CF scope but the Draft Decision says 40% of the revenue determination was subject to negotiation
  - this is based on the CCP17 submission but this in turn cited the AusNet Proposal
  - 40% seems to require inclusion of base opex, which was not part of the scope
- The CF achieved some excellent outcomes in their scope – not just on reduced costs, but also specific capex projects and Customer Service Incentive Scheme
- In assessing the New Reg trial, the comparison is not ‘a saving of \$490m’ vs nothing, but - how that would compare with the savings from other forms of engagement?
- While we understand the value of the CF’s views on the ‘in-scope’ items, we doubt they were qualified to make their conclusion on the overall reasonableness and ‘value for money’ of the whole proposal given their level of engagement with EUAA/MEU and C&I customers

# CONSUMER ENGAGEMENT - CASE BY CASE APPROACH

- Choice of engagement approach should be dependent on the network's BAU engagement
  - what they and their consumers think is the best way of getting to a proposal capable of acceptance
- New Reg had the effect of being a positive circuit breaker to improve AusNet's engagement and we acknowledge the significant benefits of that
- Other networks have worked hard to build up the knowledge of their existing customer engagement representatives and want to use that knowledge in a way that best suits them eg Powerlink's co-design process for its engagement model
- Other networks with more advanced BAU engagement very successfully use other approaches eg AGN, to build a strong capable of acceptance proposal
- Concerned that a perception may develop that doing New Reg gives a network an advantage when this may not always be in consumers interests
- We think the proposed "Framework for considering consumer engagement" is a good start with further work on how to implement it ie more detail on the 'threshold' of customer support to be achieved would be useful
  - to better understand how the AER regards 'capable of acceptance'

**THANKYOU**

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