

19 August 2019



Mr Mark McLeish  
Australian Energy Regulator  
Level 17, Casselden Place  
2 Lonsdale Street  
Melbourne VIC 3000

Jemena Electricity  
Networks (Vic) Ltd  
ABN 82 064 651 083

Level 16, 567 Collins Street  
Melbourne, VIC 3000  
PO Box 16182

Via email to: [RegulatoryInnovation@aer.gov.au](mailto:RegulatoryInnovation@aer.gov.au)

Melbourne, VIC 3000  
T +61 3 9173 7000  
F +61 3 9173 7516  
[www.jemena.com.au](http://www.jemena.com.au)

Dear Mr McLeish,

**Response to: Issues paper, Small Scale Incentive Scheme for Customer Service**

Jemena Electricity Networks (Vic). Ltd (**JEN**) would like to thank the Australian Energy Regulator (**AER**) for the opportunity to respond to the *Issues Paper, Small Scale Incentive Scheme for Customer Service, Jul 2019 (Issues paper)*.

Almost all businesses and Governments have experienced the rise of the customers' voice in shaping their operations. JEN has had first-hand experience of this evolutionary change, which has been reinforced quite poignantly through our *people's panel*.<sup>1</sup> We also note that the groundswell of change in customer expectations is the driving force behind the energy industry coming together to develop an *energy charter*.<sup>2</sup>

Also present within our industry, is the incentive framework that seeks to drive distribution businesses' behaviours to act in the long term interests of customers. We note that for incentives to work effectively, the measures must first align to the long term interests of customers, but also, keep pace with the customers' changing needs; without considering latter issue, the outcomes could be counterproductive.

By aligning the incentive framework with the evolving customer expectations, the long term interests of customers can be better achieved. JEN believes that the customer service incentive scheme outlined in the Issues Paper—and as identified in the 'New Reg' process—is the right mechanism to achieve alignment because of its adaptive and progressive design.

We support the detailed responses presented in Energy Networks Australia submission to the Issues Paper. In particular, we agree that the scheme must be supported by customers, the measures are to be defined by the distribution businesses, and that ex-ante targets and incentives are set to give certainty to distribution businesses.

If the AER would like to discuss any aspect of this submission, then please contact me 03 9173-7000.

Kind Regards,

[signed]

Matthew Serpell  
Manager, Electricity Regulation

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<sup>1</sup> [yourgrid.jemena.com.au](http://yourgrid.jemena.com.au)

<sup>2</sup> [www.theenergycharter.com.au](http://www.theenergycharter.com.au)