



AUSTRALIAN
ENERGY
REGULATOR

New Reg – AusNet Trial Public Forum

Second Monitoring and Insights Report

13 June 2019

aer.gov.au

Agenda

- Welcome and Introduction
- AusNet Trial Update
- Second Monitoring Report
- Second Insights Report
- Consultation

Sandra Gamble

Welcome and introduction

Deidre Rose

AusNet Trial Update

New Reg Public Forum

Trial update

Greg Hannan, Manager Economic Regulation
Deirdre Rose, Principal Regulatory Economist

13 June 2019



2019 update



Draft positions released February 2019

- ▶ Publication of:
 - › AusNet Services' Draft Proposal for 2021-25 period
 - › Customer Forum Interim Engagement Report

- ▶ Reflecting the outcomes of 2018 negotiations on in-scope topics
 - › Note: AusNet Services was still finalising its solar integration expenditure requirement



Presentation of positions and thinking for further testing with customers and broader stakeholders. Feedback will be used to strengthen the customer voice and refine our final proposal.

Preliminary agreements reached with Customer Forum for Draft Proposal



Topic	Status
Opex	The Forum believes the proposal represents overall value for money for customers, provided a 1.5% productivity reduction is applied.
Major growth projects	Customer Forum supported the proposed installation of new transformers at both Clyde North and Doreen zone substations subject to an independent review of deferral options including peak load mitigation options.
Customer experience	A number of customer experience initiatives have been agreed, including the development of a Customer Satisfaction Incentive Scheme.
Price path	Profile agreed that maximises the price reduction in 2021, and only increasing by inflation thereafter.
Major asset replacement	The Customer Forum expects to conclude this proposal represents value for money, following AusNet Services clarity of its ranking process and better articulation of the specific customer benefits of each investment at the zone substation level.
Solar integration	No agreement as yet. AusNet Services is still developing its proposal, including the impacts of the Victorian Solar Homes policy

Preliminary agreements reached with Customer Forum



Topic	Status
Innovation expenditure	At this stage the Customer Forum believes \$7.5million (\$2020) provides a sufficient resource to undertake innovation work. The Customer Forum is seeking a refined list of projects that are capable of meeting 6 principles: (1) Benefit customers; (2) Driven by customer needs and expectations; (3) Readily understandable; (4) Represents strategic innovation; (5) All results published and shared; (6) Evidence of collaboration.
Smart metering	Consider that AusNet Services proposal represents value for money and will be enhanced through improved communication of metering benefits to customers. Actions to deliver further benefits and services to customers from smart meters also agreed with the Customer Forum.
Overall reasonableness of proposal	View will not be finalised until proposal is finalised

Early 2019 work with the Customer Forum



- ▶ **Guidance on engagement on the Draft Proposal**
- ▶ **Finalisation of the Customer Satisfaction Incentive Scheme**
- ▶ **Exploration of customer outcomes relating to planned outage management, new connections, life support customers, high voltage injection events, customer communications**
- ▶ **Attendance at Deep Dives (opex, customer experience, innovation, repex, solar integration, ICT)**
- ▶ **Continued development of in-scope cases**

Early work in 2019 has explored customer feedback, customer concerns and to share further work on finalising in-scope cases

Positive outcomes of the trial



Positive and meaningful impact of the Customer Forum



- ▶ **Working with the Customer Forum (and our customers) is having an immediate positive impact for customers and our business**
 - › Highly successful partnering with our communities on helping transition of renewables
 - › An improved solar connection process
 - › Improved customer claims process
 - › Reductions in planned outage cancelations and overruns, which can significantly inconvenience customers.

- ▶ **Re-engagement into crucial community, business and customer networks, which were weakened with the split of distributors and retailers**

- ▶ **The Customer Forum is further encouraging and reinforcing the development of a customer-centric business**

- ▶ **The gains will continue well beyond the life of the Customer Forum**

The Customer Forum is helping AusNet Services to improve customer experience and save costs

Customer Challenge Panel view

- › The Customer Forum has probably spent more time considering the regulatory proposal than any previous consumer focused group in Australia: 40 meeting days including 14 negotiation days and 82 separate presentations is reflective of this.
- › AusNet Services Customer Forum is the ‘most briefed’ consumer-representing group ever to engage with an Australian network business regulatory proposal. They appear to be working well as a team, have clear principles and process guidelines to work to and have an excellent ‘sense’ of where to focus their efforts
- › By actively seeking a consumer perspective and consumer benefit in all aspects of the development of the AusNet Services regulatory proposal, the Customer Forum has found that they have possibly contributed more to AusNet Services and consumers at large by actively working through informal process and networks than they have by their formal engagement in negotiating a regulatory proposal.
- › Allowing time without a specific agenda item or briefing has been a crucial part of the Forum’s process to date.
- › We are impressed by the impact which the Customer Forum has already had in realigning AusNet Services business towards a more customer-centric mode of operation

The Customer Challenge Panel has acknowledged the contribution of the Customer Forum

Key success factors identified in 2018 still stand



What is working well	Other key success factors
<ul style="list-style-type: none">• Senior staff involvement in negotiations• Deep access to business to provide further information / respond to q's• External resources to support Forum• Adequate time between negotiating sessions• AER briefing notes and meetings with Forum• CCP meetings with Forum	<ul style="list-style-type: none">• Clear, simple and consistent negotiating materials• Open mind and commitment to process from all levels of staff involved• Significant internal resources to prepare materials and respond to q's• Comprehensive education phase to ensure negotiations are not held up• Mixture of skills, experience and personalities of Forum members• Timely circulation of negotiating materials

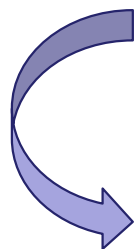
Feedback from the Forum has also been instrumental in helping us identify and address a number of customer experience “pain points”, at low or no cost

Final negotiations



Change to regulatory periods

- ▶ **Victorian Government intends to change the regulatory year from calendar year to financial years**
- ▶ **Being achieved by a 6-month extension to the current 2016-20 regulatory period i.e. extension to 30 June 2021**
- ▶ **Then a five year regulatory period from 1 July 2021 to 30 June 2026**



**So we will submit our Regulatory Proposal by 31 Jan 2020
(instead of end July 2019)**

The Victorian Electricity Distribution businesses will submit Regulatory Proposals six months later due to change to regulatory periods

The existing scope of negotiations with the Customer Forum will be retained



In-scope (AER endorsed)

- Operating expenditure
- Major growth projects (population growth corridors)
- Customer experience and hardship arrangements

In-scope (AusNet Services)

- Replacement expenditure - major projects (i.e. station rebuilds)
- Solar integration
- Innovation expenditure
- Smart metering
- Price path
- Overall 'reasonableness' of proposal

Out of scope / context

- All other capital expenditure
- Rate of return
- Tax allowance
- Opening RAB
- Pricing and tariffs.

Material issues for future negotiation

- ▶ **Opex step changes and productivity adjustment**
- ▶ **Development and delivery of customer experience initiatives, including those supported by smart meters**
- ▶ **Solar integration**
- ▶ **Innovation funding**

A final period of negotiations is scheduled for Sept/Oct 2019. This will address the Customer Forum and stakeholder feedback on the Draft Proposal.

What is required for the final negotiations



- ▶ **Clear advice on necessary updates and changes to the expenditure forecasts, including to account for the change in regulatory periods**
- ▶ **Demonstrating how we are taking account of feedback received – from the Customer Forum and other stakeholders**
- ▶ **We have increased contact between the Customer Forum and our Board**
- ▶ **Ensure mutual understanding of agreements reached**

We will make some improvements to processes for the final round of negotiations

Amended 2019 timelines



Feb to June:
Engagement and feedback

Ongoing:
Further customer research (repex major projects, HVI events, outages, new connections, etc)

Early Sept:
Final Negotiating Position Notes published

Jan > Feb > Mar > April > May > June > July > Aug > Sept > Oct > Nov > Dec

Feb/Mar:
Finalisation of Customer Satisfaction Incentive Scheme

Sept to Nov:
Final negotiations

Dec:
Finalisation of Regulatory Proposal and Engagement Report

Stakeholder engagement on Draft Proposal



Engagement during 2019

▶ On-line engagement campaigns

- › Website, Facebook (including geo-targeted campaigns)

▶ Deep dives with advocates and stakeholders

No.	Date	Topics
1.	Mon, 11 Feb	Overview of proposal; Customer experience; Operating expenditure; Innovation
2.	Wed, 27 Feb	Public Lighting
3.	Tues, 12 Mar	Repex overview; Major repex projects; Pole and conductor replacement programs
4.	Thurs, 23 May	Innovation; Distributed Energy Resources
5.	Thurs, 30 May	ICT

- ▶ **One-on-one consultation with a variety of stakeholders including CCP17, local government, AusNet Services' CCC, business community, customer advocates, customer focus groups, etc.**

Robert McMillan

Second Monitoring Report



New Reg | AusNet Services Trial

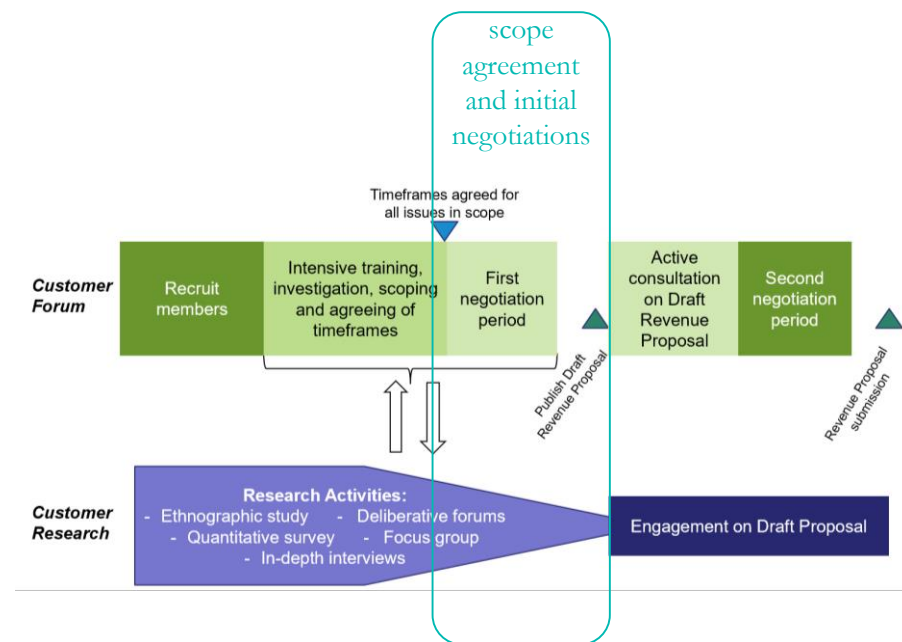
Stage 2 | Monitoring report on scope agreement and initial negotiations

Scope of second monitoring report

SCOPE

The key activities in this period were:

- Developing the negotiation scope
- Publishing AER staff guidance notes
- Customer and stakeholder engagement to inform AusNet Services and the Customer Forum
- Initial negotiations
- Publishing the Customer Forum's Interim Engagement Report
- Publishing AusNet Service's draft proposal.



How we approached monitoring



APPROACH

- Surveyed trial participants, reviewed written responses, and then interviewed these participants
- Prepared survey questions for AusNet Services' customers involved in the trial
- Drew on:
 - the Memorandum of Understanding between ANS, AER and the Customer Forum (MOU)
 - AusNet Services' Early Engagement Plan
- Referenced nine AER Staff Guidance notes
- Referenced the stage 2 trial outputs, namely:
 - The Customer Forum's Interim Engagement Report
 - AusNet Services' Draft Electricity Distribution Regulatory Proposal (Draft Proposal)

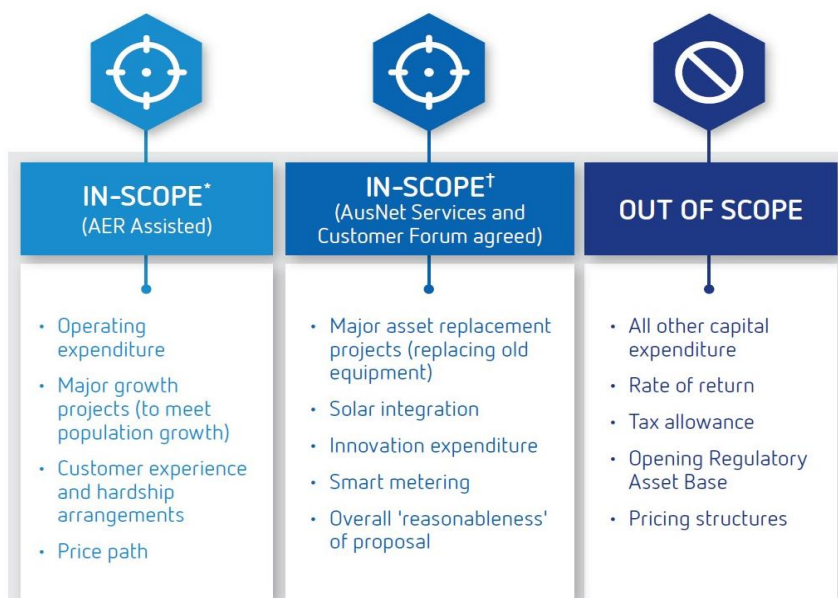
MONITORING REPORT

Our report:

- sets out the trial activities relevant to stage 2 monitoring and evaluation
- discusses feedback on the determination of the scope of negotiation
- provides observations on customer research and engagement
- provides observations on the AusNet Services – Customer Forum initial negotiations, and AER staff support thereof

TODAY'S PRESENTATION

Sets out New Reg process steps and observations against these



NEW REG STEP 6

...involves the business and Customer Forum scoping in detail the matters to be considered in the Early Engagement Process. ... The scope of matters to be considered must be agreed between the business and Customer Forum, and accepted by the AER—although the AER may be more closely involved in the scoping phase for the purpose of a trial.

OBSERVATIONS

- Scope (and terminology) has evolved
- Differing views on the extent of change
- Parties felt the scope remained appropriate (noting impacts of Govt policy on DER).

NEW REG STEPS 6 AND 7B

6...involves the business and Customer Forum scoping in detail the matters to be considered in the Early Engagement Process. This should also set out how the parties intend to collect information on the perspectives of customers (for example, through customer research or direct engagement) to inform their consideration of these matters.

7b. The Customer Forum should be resourced to communicate directly with end-customers, customer representatives, and other engagement channels and forums the network uses for its business-as-usual engagement, to elicit and understand their preferences, to carry out customer research (or help shape the business' research program), and to communicate issues and trade-offs back to customers.

OBSERVATIONS

- Engagement and research independently initiated by the Customer Forum
- Customer Forum participation in AusNet Services' engagement program
- Interim Engagement Report Appendix C records:
 - eight meetings with residential customers
 - twenty-six meetings with business customers
 - three customer representative groups
 - (observed) eleven customer research sessions
 - stakeholder meetings with seven Members of Parliament, six local councils, and ten peak bodies
- Customer Forum also participated in several meetings with customer advocates organised by AusNet Services.

Ausnet Services delivering the early engagement plan



NEW REG STEP 7

Central to the Early Engagement Process is the idea of creating a 'dynamic conversation' between the network business and Customer Forum, supported by the AER, to achieve outcomes in the long term interests of consumers. These discussions should be structured with the aim of reaching agreements in a timely way.



OBSERVATIONS

- A dynamic conversation:
 - Iterating positions
 - Responding with proposals for topics the Customer Forum initiated
 - Reaching initial negotiated positions on some in scope topics
 - Carving out some topics for further work
- Some challenges and lessons realised:
 - The negotiation scope in the whole proposal context
 - Timeframes and iteration
 - Issue resolution
 - Delay in publication

Customer Forum representing customers' perspectives



NEW REG STEP 3

The Customer Forum should:

- a. *represent, 'bring' the perspectives of, and act on behalf of all consumer voices (large and small), having regard to the long term interests of current and future consumers*
- b. *be fully independent of the network business*
- c. *have the skills and expertise to serve the role of being a credible counterparty to the network business*
- d. *operate in an open and engaging way to establish and maintain its legitimacy with consumers and the wider community.*

OBSERVATIONS

- Trial participants considered the Customer Forum has:
 - effectively undertaken its role to represent and act on behalf of all consumer voices through the Stage 2
 - the skills and expertise to perform its role
 - been independent in its engagement and representation
- The Customer Forum commissioned its own analysis
- Survey of AusNet Services stakeholders (results below)

Question	Yes	No	Unsure
Did you feel the Customer Forum was able to understand your expectations, preferences and concerns?	2 customers 1 advocate 1 community group	1 advocate 1 regulatory policy stakeholders	1 regulatory policy stakeholders 1 advocate
Are you comfortable the Customer Forum will be able to apply this to whatever is negotiated with AusNet?	1 customer	1 advocate 1 community group 2 regulatory policy stakeholders	1 customer 2 advocates
Do you feel the Customer Forum has the skills and expertise to act as a credible counterparty to AusNet Services?	2 customers 1 community group	1 advocate 2 regulatory policy stakeholders	2 advocates

NEW REG STEPS 6 AND 7

6. The scope of matters to be considered must be agreed between the business and Customer Forum, and accepted by the AER—although the AER may be more closely involved in the scoping phase for the purpose of a trial.

7. The AER needs to be assured that it has sufficient visibility during the Early Engagement Process that it can indicate that something will not be acceptable before it is submitted.

Throughout the engagement process, the AER will contribute to the process of reaching agreement by providing information and explaining issues through ‘advice notes’ and/or presentations that communicate the ‘boundaries’ of the rules, and what it may consider as an acceptable regulatory outcome—consistent with AER guideline approaches. The AER may also identify aspects of a proposal that in its view would most benefit from consumer perspectives, including through customer research and wider stakeholder consultation.

OBSERVATIONS

Activities included:

- AER staff agreeing to the scope
- AER staff support for the initial negotiation

The trial participants:

- Felt adequately supported by the AER staff
- Considered the level of AER involvement was appropriate
- Expected that the AER staff will continue to provide feedback on scope, consistency with rule requirements and adequacy of the Interim Engagement Report for its evidentiary purposes in the New Reg Process



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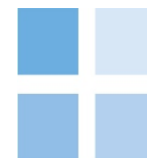
Ella Pybus

Second Insights Report

New Reg trial – Second Insights Report

Ella Pybus

13 June 2019



Coverage of the Second Insights Report



This report covers the establishment and early operation of the trial



The Second Insight Report covers activities during the first round of negotiations.

We note that the Customer Forum and AusNet Services have not reached an initial position on a number of areas in the scope for negotiations. Both the Interim Engagement Report and the Draft Regulatory Proposal have been positioned as consultative documents

All the insights will be reviewed, and updated accordingly, as the trial progresses.

Submissions on the Interim Engagement Report and Draft Regulatory Proposal have been received from consumer advocates. Observations from these submissions will be taken into account in our next Insights Report.



Insights (1)

Step	Insight
3. The Customer Forum should:	
a. represent, 'bring' the perspectives of, and act on behalf of all consumer voices (large and small), having regard to the long term interests of current and future consumers	Insight 2.1. The Customer Forum appears to be providing a good conduit for consumers' perspectives. The Customer Forum has had a positive impact on AusNet Services' customer engagement and identified areas/ processes where AusNet Services could improve its services. The Customer Forum has achieved this by working with AusNet Services to engage with a range of different types of customers in different locations.
b. be fully independent of the network business	Insight 2.2. The Customer Forum continues to appear to be acting independently of AusNet Services, and AER Staff are comfortable with the Customer Forum's independence. This is supported by the Customer Forum and AusNet Services commitment to publish material from and minutes of their meetings, and the Customer Forum and AusNet Services publishing their initial positions/ considerations for consultation.



Insights (2)

Step	Insight
3c. have the skills and expertise to serve the role of being a credible counterparty to the network business	<p>Insight 2.3. The Customer Forum has focused its engagement (to date) on identifying and seeking commitments from AusNet Services on customer experience outcomes. It has also challenged AusNet Services to set out its works program better to demonstrate customer benefits. The Forum has utilised the skill set of its members to form these positions and influence AusNet Services Regulatory Proposal.</p> <p>Insight 2.4. The Customer Forum has relied on AER Staff for a technical view on the efficiency of some of AusNet Services' proposed expenditure (in addition to requesting that AusNet Services engage technical support to provide it with an opinion on specific areas of AusNet Services' proposal). Given Insight 2.3, this has meant the Customer Forum's negotiated positions in the Initial Engagement Report have tended to focus on customer needs and desired outcomes rather than on the efficient level of expenditure the network operator should be allowed to deliver on these customer preferences and requirements.</p> <p>Insight 2.5. Where the balance of focus and skill set of the Customer Forum should be in future New Reg processes may be an issue that stakeholders wish to consider when initially defining the scope of the negotiations and membership of the Customer Forum.</p>
3d. operate in an open and engaging way to establish and maintain its legitimacy with consumers and the wider community.	<p>Insight 2.6. The wider community in AusNet Services' distribution area provided a mix of views in response to a survey. While there was no specific question in the survey on whether the Customer Forum was operating in an open and engaging way, both customers, one of the three advocates, and one (of one) community group considered that the Customer Forum was able to understand customers' expectations, preferences and concerns. Also supporting an open and transparent process, as noted in Insight 2.2, is the publication of Customer Forum and AusNet Services meeting minutes and the Interim Engagement Report/ Draft Regulatory Proposal document for consultation.</p>



Insights (3)

Step	Insight
<p>6. The next step involves the business and Customer Forum scoping in detail the matters to be considered in the Early Engagement Process. This should also set out how the parties intend to collect information on the perspectives of customers (for example, through customer research or direct engagement) to inform their consideration of these matters. The scope of matters to be considered must be agreed between the business and Customer Forum, and accepted by the AER—although the AER may be more closely involved in the scoping phase for the purpose of a trial.</p>	<p>Insight 2.7. The Customer Forum and AusNet Services consider that the scope of matters they are negotiating is appropriate. However, AER Staff noted that the monitoring/ evaluation should consider whether the expanded scope of matters (to those AER Staff considered were out of scope) was appropriate given the timelines of the trial.</p> <p>Insight 2.8. While the Customer Forum has been able to rely on AER Staff for guidance on what is or isn't consistent with how the regulatory framework currently functions, the Customer Forum set out a few positions in the Interim Engagement Report that AER Staff consider are potentially inconsistent with the framework (e.g. in relation to innovation and the CRM proposal). The positions were not wrong per se; however, it appeared that the Customer Forum, in forming these positions, either did not appreciate the technical interactions between different elements of the framework or what is feasible under the current regulatory framework. (We note that some of these issues relate to out of scope matters, please also refer to Insight 2.12.) The former could indicate that more (or more timely) regulatory technical support needs to be provided to the Customer Forum, and/ or additional experience/ skill set be incorporated in the Customer Forum's membership, in future New Reg processes. The latter may provide an interesting insight into the appropriateness of the regulatory framework, given new information on customer preferences, and will be considered in our evaluation.</p>



Insights (4)

Step	Insight
<p>7. The Early Engagement Plan will specify how the Early Engagement Process will be carried out. Central to the Early Engagement Process is the idea of creating a 'dynamic conversation' between the network business and Customer Forum, supported by the AER, to achieve outcomes in the long term interests of consumers. These discussions should be structured with the aim of reaching agreements in a timely way. The AER needs to be assured that it has sufficient visibility during the Early Engagement Process that it can indicate that something will not be acceptable before it is submitted.</p>	<p>Insight 2.9. The Customer Forum noted that agreeing expenditure levels was difficult given the moving nature of AusNet Services' forecasts. The Customer Forum indicated that it may have left numbers out of its Interim Engagement Report if it had to do it again. AusNet Services noted that estimates will move around as the network is trying to establish expenditure estimates 18 months or more before they are due to be incurred, and some estimates will not be finalised until close to the submission of its Regulatory Proposal. This raises questions to explore on whether the phasing of the New Reg process as laid out in the MOU is appropriate.</p> <p>Insight 2.10. The Customer Forum and AusNet Services originally envisaged that the Draft Engagement Report and Draft Regulatory Proposal would set out both parties' initial positions, and this was specified in the MOU. However, the Customer Forum has decided to treat the Draft Engagement Report as an interim one for consultative purposes. This indicates that the MOU could have provided greater flexibility for what the Draft Engagement Report needed to cover.</p> <p>Insight 2.11. While bearing in mind that this is the first trial of New Reg and therefore no precedent has been established for what AER Staff are seeking in terms of justification for the positions reached, the publications of the reports have been important for AER Staff to provide their views on how the Customer Forum and AusNet Services have set out their positions and associated justification.</p>



Insights (5)

Step	Insight
<p>7a. Throughout the engagement process, the AER will contribute to the process of reaching agreement by providing information and explaining issues through ‘advice notes’ and/or presentations that communicate the ‘boundaries’ of the rules, and what it may consider as an acceptable regulatory outcome—consistent with AER guideline approaches. The AER may also identify aspects of a proposal that in its view would most benefit from consumer perspectives, including through customer research and wider stakeholder consultation.</p>	<p>Insight 2.12. The Customer Forum and AusNet Services are satisfied with the advice AER Staff have been providing. However, related to Insight 2.8, AER Staff noted that a number of the issues it has raised during the course of the negotiation process were related to matters outside the agreed Scope of Negotiation. AER Staff had not provided guidance notes for these matters. AER Staff have provided the Customer Forum with their views on the Interim Engagement Report and Draft Regulatory Proposal in Guidance Note 9 and continue to work with the Customer Forum on these points.</p>
<p>7b. The Customer Forum should be resourced to communicate directly with end-customers, customer representatives, and other engagement channels and forums the network uses for its business-as-usual engagement, to elicit and understand their preferences, to carry out customer research (or help shape the business’ research program), and to communicate issues and trade-offs back to customers.</p>	<p>Insight 2.13. The Customer Forum has had sufficient resourcing to carry out its scope of work. However, it has noted that more administrative support may have made its role easier. Securing this type of support during the early stages of a New Reg process may be something that needs to be considered in future.</p>



Insights (6)

Step	Insight
<p>8. At the conclusion of the Early Engagement Process the parties submit an Engagement Report setting out the process followed and outcomes from the engagement. The Engagement Report is a critical input to the AER's subsequent assessment of the regulatory proposal submitted by the network business, contributes to learning and improvement for future applications of the New Reg process, and supports accountability of the Customer Forum to the end-use consumers.</p>	<p>Insight 2.14. Based on the Interim Engagement Report, we consider that the Customer Forum provided justification to support some but not all of the initial positions it reached/ did not reach. We also note that it was not clear for some matters what position the Customer Forum had reached. To help achieve the objectives set out in the MOU, the Customer Forum, in justifying its final positions, needs to provide further linkages between its positions, customers' preferences it has gathered during the negotiation process, and the achievement of the NEO. This will assist the AER in making its determination on whether the positions adopted by the Customer Forum contribute to the achievement of the NEO.</p>
<p>9. If the network business and its Customer Forum can reach agreement on some or all aspects of the regulatory proposal, there is an expectation that the Engagement Report would evidence how the agreement reflected consumers' preferences, citing relevant customer research and results of consumer engagement. Provided the Engagement Report accompanies or is included in the network business' revenue proposal the AER must have regard to it.</p>	<p>Insight 2.15. Interim Engagement Report was, to a large extent, structured like a negotiation on each building block, i.e., assessing items under the operating expenditure (opex) block, the augmentation expenditure (augex) block, the replacement expenditure (repex) block, etc. However, the Customer Forum, as noted in Insights 2.3, 2.4 and 2.5, has focused more on determining appropriate customer experience and outputs/ outcomes which don't necessarily correspond neatly with individual building blocks.</p> <p>We consider that more flexibility in terms of the structure of the report might be appropriate given how the Customer Forum approached its role (and how future Customer Forum may approach their roles). For example, the Customer Forum could set out the service outcomes required (in line with customer preferences), while leaving the assessment of the prudence and efficiency of specific expenditure items to the AER. We will consider this issue further in future evaluation reports.</p>



Insights (7)

Step	Insight
8. At the conclusion of the Early Engagement Process the parties submit an Engagement Report setting out the process followed and outcomes from the engagement. The Engagement Report is a critical input to the AER's subsequent assessment of the regulatory proposal submitted by the network business, contributes to learning and improvement for future applications of the New Reg process, and supports accountability of the Customer Forum to the end-use consumers.	Insight 2.16. When read independently, we do not consider that the Draft Regulatory Proposal and the Interim Engagement Report always give the same impression of the positions reached by each party. Alternative procedural or other mechanisms for documenting agreements may be worth consideration to ensure that discrepancies, or perceived discrepancies, are dealt with.
9. If the network business and its Customer Forum can reach agreement on some or all aspects of the regulatory proposal, there is an expectation that the Engagement Report would evidence how the agreement reflected consumers' preferences, citing relevant customer research and results of consumer engagement. Provided the Engagement Report accompanies or is included in the network business' revenue proposal the AER must have regard to it.	



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Further Information

- New Reg Process: <https://www.aer.gov.au/networks-pipelines/new-reg>
- Consultation and Reports: <https://www.aer.gov.au/networks-pipelines/guidelines-schemes-models-reviews/consultation-on-the-new-reg-process/updates>
- AusNet Customer Forum: <https://www.ausnetservices.com.au/en/Misc-Pages/Links/About-Us/Charges-and-revenues/Electricity-distribution-network/Customer-Forum>
- Contact AER staff: Regulatory.Innovation@ aer.gov.au