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Dear Energy Council Secretariat

Consumer participation in revenue determinations and associated regulatory processes

Jemena appreciates the opportunity to respond to the COAG Energy Council's (**Council**) consultation paper on consumer participation in revenue determinations and associated regulatory processes (**the Paper**).

As the owner of regulated gas and electricity distribution networks serving over 1.6 million customers across New South Wales and Victoria, Jemena recognises the critical importance of effective consumer engagement in energy regulatory decision making—and particularly in the revenue determination process.

Consistent with the material presented in the Paper, a number of consumer and advocacy groups have expressed to Jemena the challenges posed by limited resourcing, particularly in the context of a rapidly changing regulatory environment and an increasing number of consultation processes for market reviews and rule change proposals. Revenue determination processes have direct and important implications for end consumers notably setting a portion of their end bills (around one third of a typical residential electricity bill in Victoria or a typical residential gas bill in New South Wales).

We therefore welcome the Council's exploration of ways to enhance the involvement of consumers in revenue determination processes. The Paper notes the opportunity for network businesses to build the capacity of advocacy groups to engage through their own consumer engagement programs by running training sessions on complex issues. Jemena strongly supports network businesses exploring such opportunities, having received positive feedback from our external stakeholders on training sessions for various topics we have undertaken in the past.

Effective consumer participation in revenue determination processes requires involvement of both consumer representatives or advocacy bodies and direct involvement by end consumers themselves. Jemena is committed to directly engaging with its end consumers; through our Customer Councils—for each of our distribution network businesses—we engage with a range of consumer representatives as part of our 'business as usual' engagement and during revenue determination processes.

Consumer representatives and advocacy bodies can have an important role to play in fostering the participation of end consumers by increasing their awareness of energy issues and helping to build their capacity to engage over time. For this reason, options should be explored to enhancing consumer representatives or advocacy bodies capacity to educate and engage with end consumers and their own front-line staff in the context of revenue determination processes. This would further enhance consumer participation in these processes by allowing advocacy groups to provide this end consumer feedback to networks through mechanisms such as Customer Councils.

Building capacity within advocacy groups should encourage them to not only participate in the revenue determination consultation processes run by the AER (such as by making submissions to the AER to inform its draft and final decisions), but also to participating in networks' own engagement activities which feed into the development of a regulatory proposal. This early engagement will maximise the effectiveness of consumer involvement in regulatory determination process and the ability of network businesses to incorporate feedback into their proposals to be considered by the AER.

We welcome the opportunity to further discuss ways in which consumer involvement in regulatory determination processes can be enhanced. If you have any questions regarding this submission, please contact Alex McPherson, Manager Asset Regulation and Strategy, on (02) 9867 7229 or via email: alex.mcpherson@jemen.com.au.

Kind regards



Usman Saadat
General Manager Regulation