



29 July 2016

Victorian gas networks driving efficiency and innovation

Victorian gas distributors – Multinet Gas, Australian Gas Networks and AusNet Services – are exploring new incentive arrangements to drive efficient and innovative gas network investment.

The Energy Networks Association (ENA) believes there is a clear opportunity to promote the long-term interests of gas customers by improving investment incentives for gas networks.

ENA Chief Executive Officer, John Bradley, said energy networks support incentive-based mechanisms to promote efficient network expenditure and lower customer costs.

“Victorian gas distributors are consulting on potential changes to incentive mechanisms they could propose to the Australian Energy Regulator (AER) for their forthcoming access arrangements period,” Mr Bradley said.

“The proposals reflect reforms occurring overseas to focus on customer outcomes – in the UK they are driving businesses to be more focussed on their customers than the regulator.

“The Victorian consultation process demonstrates that network businesses are making genuine efforts to effectively engage with customers and increase transparency in developing their access arrangements proposals.

“Gas network incentives must support efficient expenditure through the regulatory period, ensure optimal levels of investment in network innovation can be delivered, and appropriately balance cost reduction and service delivery outcomes.

“These kind of reforms can encourage a strong focus on providing quality customer service including by better aligning incentives for gas businesses with desirable outcomes for customers,” Mr Bradley said.

The ENA’s comments on *Incentive Mechanisms for the Victorian Gas Distribution Businesses* can be accessed www.ena.asn.au/publications/submissions-and-letters

-Ends-

Media Contact:

Simone Reading

sreading@ena.asn.au

02 6272 1524 or 0447 569 029

The Energy Networks Association is the peak national body representing Australia’s electricity transmission and distribution networks and gas distribution networks on economic, technical, environmental and safety regulation, and national energy policy issues. ENA members provide energy to virtually every household and business in Australia.