

OTTER CUSTOMER CONSULTATIVE COMMITTEE

MEETING NO. 2/2017

2.30 PM WEDNESDAY 17 MAY 2017

MURRAY ROOM, THE TREASURY BUILDING,

21 MURRAY STREET, HOBART

DRAFT MINUTES

2:30 pm Meeting commenced

1. Apologies

Present

Cr Peter Rhodes (Flinders Council) (via teleconference)
Dr Cynthia Townley (TasCOSS)
Ms Georgia Palmer (Local Government Association of Tasmania)
Mr Geoff Fader (Tasmanian Small Business Council)
Ms Margie Law (Anglicare Tasmania)

In attendance

Mr Joe Dimasi (Tasmanian Economic Regulator)
Mr Dean Burgess (Director, OTTER)
Mr Glenn Bounds (Assistant Director, OTTER)
Mr Daniel Hanek (Principal Policy Analyst, OTTER)
Mr Bryce Matthews (Executive Officer, OTTER)

Mr Eamon Sullivan and Mr Ben Morris from TasWater attended the meeting, from 2.40pm until 3.25pm, to present Item 3.

Ms Kirstan Wilding from TasNetworks attended the meeting, from 4.00pm until 4.45pm, to present Item 6.

Apologies

Mr David MacFie (Australian Competition and Consumer Commission)
Mr Nick Steel (Tasmanian Farmers and Graziers Association)
Mr Robert Mallett (Tasmanian Small Business Council)
Mr Ray McKendrick (Ombudsman Tasmania)

Absent

Mr Michael Bailey (Tasmanian Chamber of Commerce and Industry)
Mr Charles Scarafioti (Property Council of Australia - Tasmania Division)

2. Ratify minutes from meeting 15 February 2016

The minutes from the meeting of 15 February 2016 were ratified.

3. TasWater's Price and Service Plan 3 - development and the next steps

Mr Eamon Sullivan and Mr Ben Morris from TasWater made a presentation to members on TasWater's Long Term Strategic (LTSP) Plan and the key consultation issues for the LTSP and the Price and Service Plan 3 (PSP 3).

During the presentation Dr Cynthia Townley enquired about customer outcomes in TasWater's strategic framework. Following a brief discussion, Mr Sullivan said he would provide additional information about measures of success for customer outcomes to the Committee.

Following the presentation, Ms Georgia Palmer asked if TasWater had their own Customer Consultative Committee (CCC). In response, Mr Sullivan responded that TasWater will consider the idea. Mr Geoff Fader suggested that TasWater look at TasNetworks' approach to a CCC and further suggested that including Trade Associations would be useful in context of trade waste issues.

Members also discussed trade waste compliance. Mr Dimasi reiterated the community's expectation that trade waste customers comply with regulations and noted the Industry Regulator's Forum where Industry Regulators work together on issues like trade waste.

Actions:

TasWater will provide additional information on its measures of success for each customer outcome for their strategic framework.

4. Update on Government's electricity and water and sewerage reforms

Mr Dean Burgess (OTTER) provided an overview of the proposed TasWater transfer to the Government's ownership.

Mr Burgess noted that OTTER's activities surrounding PSP3 would continue as per current legislation until new legislation enabling the transfer of ownership and reform of the regulatory framework comes into effect. Changes to the Regulatory Framework may result in the Regulator recommending prices to the Treasurer, for the Treasurer to make the final determination, which is similar to the arrangement for MAIB prices.

Mr Burgess also provided an overview of the conditions in the electricity supply industry that have led to the Government making changes to wholesale contracts and this year's price approval for Aurora Energy's standing offer prices and tariff rebalancing process. The House of Assembly passed the *Electricity Supply Industry Amendment (Pricing) Bill 2017* on 5 May 2017 and it is due to be debated in the Legislative Council on 23 May 2017. Through setting the wholesale electricity price, Government is targeting an average regulated price increase for 2017-18 of around two per cent. Mr Burgess indicated that the Government is also considering additional arrangements to assist contestable customers.

For OTTER, there will be additional work to assess Aurora Energy's price proposal to ensure their proposal complies with new requirements.

5. Tasmanian Ombudsman update

As Mr Ray McKendrick, at the Office of the Ombudsman and Health Complaints Commissioner (the Ombudsman), was an apology, there was no report tabled.

Action:

Mr McKendrick will provide an electronic copy the Office of the Ombudsman's report to members at a later date.

6. Electricity - update of Typical Customer

Mr Bryce Matthews provided a copy of the Typical Electricity Customer 2017 Report and a short presentation to members.

7. Network tariff trial insights and customer engagement on TasNetworks revenue reset

Ms Kirsten Wilding provided a presentation on TasNetworks' "emPOWERing You Trial". The presentation covered the early findings of the project.

During the presentation, several members questioned the purpose of the trial as Ms Wilding explained that Aurora Energy and TasNetworks were not continuing to work together on the project. Ms Margie Law questioned if there was a duplication between TasNetworks smartphone and internet applications and similar Aurora Energy PAYG applications.

Following general conversation, Ms Wilding clarified that the data would inform TasNetworks network charges and offerings to any retailers in Tasmania and it ultimately expected to deliver cost savings to customers.

Ms Law asked if TasNetworks could provide information on how many in the trial were customers that received a concession and how many were renting. Ms Wilding will look into providing further information.

Action:

TasNetworks to provide information on how many in the trial were customers that received a concession and how many were renting.

8. Projects on the go

The Committee noted the May 2017 edition of Projects on the Go.

9. Other Business

Metering Reform

Mr Dean Burgess provided an overview of the national changes to electricity metering effective from 1 December 2017. The reforms include:

- the introduction of advanced meters;
- changing metering services, currently provided by the TasNetworks as the electricity distributor, to services provided by a metering coordinator to be appointed by each retailer; and
- changes to IT systems required by AEMO for NEM dispatch.

Depending on developments, OTTER may be able to provide further information at the next meeting.

Action:

OTTER to provide members with an update at the next OCCC meeting of the expected impacts of the commencement of electricity metering competition.

The meeting closed at 4:55 pm.