

OTTER CUSTOMER CONSULTATIVE COMMITTEE

MINUTES

MEETING NO. 2/2019 - 9.30 AM THURSDAY 20 JUNE 2019

21 MURRAY STREET, HOBART

9:30 am Meeting commenced

1. Apologies

Present

Ms Margie Law (Anglicare Tasmania)
Mr Geoff Fader (Tasmanian Small Business Council)
Ms Bernadette Jago (TasCOSS)
Mr Charles Scarafiotti (Property Council of Australia - Tasmania Division)
Mr Ray McKendrick (Energy Ombudsman Tasmania)
Ms Sue Leitch attending on behalf of Mr John Pauley & Ms Rosalind Herbert (Council of the Ageing)
Mr Tommy Wong (Tasmanian Chamber of Commerce and Industry)

In attendance

Mr Joe Dimasi (Tasmanian Economic Regulator)
Mr Chris Lock (Director, OTTER)
Mr Glenn Bounds (Assistant Director, OTTER)
Mr Ray Chan (Assistant Director, OTTER)
Ms Liv Sindorff (Assistant Research Officer, OTTER)
Ms Toulou Alvanos (Administrative Assistant, OTTER)

Apologies

Mr Michael Bailey (Tasmanian Chamber of Commerce and Industry)
Mr David MacFie (Australian Competition and Consumer Commission)
Mr Brian Wightman (Property Council of Australia - Tasmania Division)
Ms Kate Cox (Energy Ombudsman Tasmania)
Ms Tracey Brown (Energy Ombudsman Tasmania)
Ms Elizabeth Skirving (CEO, Rural Business Tasmania)
Ms Georgia Palmer (Local Government Association of Tasmania)
Mr Robert Mallett (Tasmanian Small Business Council)
Mr John Pauley (Council of the Ageing)
Ms Rosalind Herbert (Council of the Ageing)

2. Ratify minutes from meeting 14 March 2019

The minutes from the meeting of 14 March 2019 were ratified.

3. Electricity - New TasNetworks website & customer contact processes

Ms Lisa Post from TasNetworks delivered a presentation on the new TasNetworks website and the customer contact processes.

Ms Post outlined the benefits of TasNetworks' new internal communications programs and their new knowledge base. The new programs improve communication and provide efficiencies within TasNetworks. Previously each team within TasNetworks had their own knowledge base. This caused inconsistent information to be given to customers. The new knowledge base allows all TasNetworks staff to have access to the same information. This means customers are getting accurate information.

Ms Post also explained that the new website makes it easier for customers to contact TasNetworks but also to find information themselves. The new website has greater functionality and allows customers to report power outages, streetlight faults, vegetation and request help. Overall, TasNetworks has improved communications within the organisation and with customers.

4. Electricity - Update on TasNetworks' 2019-24 Price Reset

Mr Don Woodrow from TasNetworks delivered a presentation on the Australian Energy Regulator's (AER's) 2019-24 Revenue Reset.

The presentation outlined the process that led to the AER's final decisions regarding TasNetworks' operating expenditure, capital expenditure, rate of return, revenue, network tariff structure and network pricing for the five year regulatory period.

The AER estimated that, holding all other components constant, the overall impact of its decision for residential customers is a \$68 increase in the electricity bill over the five year period (in nominal terms) and for small business customers, an increase of \$188 (\$nominal) over the same period (in nominal terms).¹

5. Electricity - New arrangements to promote time-of-use tariffs

Mr Giles Whitehouse from Aurora Energy and Mr Scott Lancaster and Mr William Godwin from TasNetworks delivered a presentation about the new arrangements to promote time-of-use (ToU) tariffs. One of the outcomes of TasNetworks' Pricing Strategy 2019-24 is that, as of 1 July 2019, ToU tariffs will become the default network tariffs for all new small business and residential connections, meter replacements or upgrades.

Under the strategy customers will have access to 12 months of consumption data along with advice from their retailer to help them decide whether to stay on their existing tariff products or switch to ToU tariffs. At the end of the 12 month period, retailers will have a two month 'notification period' within which to advise TasNetworks if a customer wishes to opt-out of a ToU network tariff. From the start of the next billing period following conclusion of the notification period, TasNetworks will begin billing the customer's retailer on a ToU basis unless the retailer notifies TasNetworks of an opt-out decision. After 12 months, ToU tariff customers may opt-out only if they have an advanced meter.

Mr Whitehouse stated that as network tariffs are applied to customers through their retail tariffs, Aurora Energy has a key role in managing the new approach to network tariff assignment. While Aurora Energy will be ready to monitor and plan for the new tariff assignment approach from 1 July 2019, the first customer conversations will not occur until after 1 July 2020 owing to the 12 month period noted above. The principles supporting Aurora Energy's approach to network tariff assignment are to adopt a

¹<https://www.aer.gov.au/system/files/AER%20-%20TasNetworks%202019-24%20-%20Final%20decision%20-%20Fact%20sheet%20-%202030%20April%202019.pdf>

customer-led approach to tariff assignment, to offer customers clear information about their tariff and product choices and not forcing any customer on to a ToU tariff.

6. Electricity - 2019 Regulated FiT Rate Investigation

Mr Glenn Bounds (Assistant Director) delivered a presentation on the recent Feed-in Tariff (FiT) rate investigation, the presentation outlined the following:

- background on FiT, explaining that retailers can buy the excess electricity generated by a household or business, to resell to its grid customers;
- an explanation of the Economic Regulator's role and matters considered during the investigation;
- the Regulator determined a FiT rate of 9.347c/kWh for 2019-20, an increase of over 9% compared to 2018-19; and
- the determination applies for the period 1 July 2019 to 30 June 2021.

Mr Bounds noted that the Treasurer has requested the Regulator report on the merits of introducing time-varying feed-in tariffs and that a separate report on this issue will be provided to the Treasurer by 31 December 2019.

7. Administration - Review of OCCC members' feedback

Mr Joe Dimasi (Tasmanian Economic Regulator) noted the feedback from OCCC members and confirmed that members' suggestions would be incorporated into future meetings, including:

- agenda items being and information discussion driven, rather than public relations driven; and
- meetings continuing to be held on a quarterly basis.

8. Tasmanian Ombudsman update

Mr Ray McKendrick, (Office of the Energy Ombudsman) outlined the number and nature of complaints regarding electricity entities for the quarters ended December 2018 and March 2019, and advised that complaints received by the Ombudsman were similar to those of the previous quarter.

9. Projects on the go

The Committee noted the June 2019 edition of Projects on the Go.

10. Other Business

Next meeting

It was agreed that the next meeting will be scheduled for Thursday 19 September 2019 at 9.30am.

The meeting closed at 12:30 pm.