

# OTTER CUSTOMER CONSULTATIVE COMMITTEE

## MEETING NO. 3/2017

2.00 PM WEDNESDAY 20 SEPTEMBER 2017

MURRAY ROOM, THE TREASURY BUILDING,

21 MURRAY STREET, HOBART

### DRAFT MINUTES

2:00 pm Meeting commenced

## 1. Apologies

### Present

Cr Peter Rhodes (Flinders Council) (via teleconference)  
Mr Robert Mallett (Tasmanian Small Business Council)  
Mr Geoff Fader (Tasmanian Small Business Council)  
Ms Margie Law (Anglicare)  
Dr Cynthia Townley (TasCOSS)  
Mr Charles Scarafiotti (Property Council of Australia - Tasmania Division)  
Mr Ray McKendrick (Ombudsman Tasmania)  
Ms Kate Cox (Ombudsman Tasmania)  
Ms Elizabeth Skirving (Rural Business Tasmania)

### In attendance

Mr Joe Dimasi (Tasmanian Economic Regulator)  
Mr Dean Burgess (Director, OTTER)  
Mr Glenn Bounds (Assistant Director, OTTER)  
Ms Jo Childs (Principal Policy Analyst, OTTER)  
Mr Daniel Hanek (Principal Policy Analyst, OTTER)  
Mr Jonathon Roe (Senior Research Officer, OTTER)  
  
Mr John Sayers from TasNetworks attended the meeting to present Item 4.  
Mr Eamon Sullivan from TasWater attended the meeting to present Item 7.

### Apologies

Mr Nick Steel (Tasmanian Farmers and Graziers Association)  
Peter Skillern (Tasmanian Farmers and Graziers Association)

## 2. Ratify minutes from meeting 17 May 2017

The minutes from the meeting of 17 May 2017 were ratified.

## 3. Electricity - overview of metering reforms

Mr Glenn Bounds (Assistant Director, OTTER) made a presentation to members on the AEMC's electricity metering reforms which commence on 1 December 2017 and the impacts on Tasmanian Standing Offer customers.

For 2017-18, the Regulator approved Aurora Energy recovering:

- Costs incurred in relation to system changes apportioned on the basis of Standing Offer load to total load. AEMO is making IT system changes in readiness for the commencement of metering competition and requires market participants (retailers and network businesses) to make corresponding system changes.
- Direct metering costs (costs of rolling out advanced meters to standing offer customers).
- The recovery of costs by TasNetworks as approved by the AER in relation to the current fleet of Type 6 meters. These costs continue to be recovered from Standing Offer customers once the meter has been removed if the meter still has a useful life.

However, the Regulator concluded that the benefits of the metering reforms were unlikely to be realised by Tasmanian standing offer customers given the small scale and lack of competition in the Tasmanian retail electricity market. The Regulator therefore decided not to approve Aurora Energy's request for the recovery of costs from standing offer customers relating to the commencement of metering competition (implementation capital expenditure on information technology and operating expenditure plus ongoing operating expenditure).

*Action: OTTER to contact Hydro Tasmania and find out whether Momentum will be introducing advanced meters on the Bass Strait Islands.*

#### **4. Electricity - TasNetworks Update - 2019 Revenue Reset, Ajilis and metering contestability**

Mr John Sayers (Program Leader Revenue Resets, TasNetworks) made a presentation to members on 2019 Revenue Reset, Ajilis and metering contestability.

*Action: OTTER to ensure that for future meetings presenters are informed of what has already been presented to members to avoid duplication.*

#### **5. Energy - OTTER price comparison reports**

Mr Jonathon Roe (Senior Research Officer, OTTER) made price comparison presentations to members on the Aurora Pay As You Go product and Standing Offer Prices.

*Action: OTTER to consider incorporating the Bass Strait Islands into the next price comparison report.*

*Action: OTTER to consider using the median usage for a typical business customer on Tariff 22 in the next report to better represent typical business use.*

#### **6. Water and sewerage - TasWater Long Term Strategic Plan, overview of draft Price and Service Plan and customer engagement next steps**

Mr Eamon Sullivan from TasWater made a presentation to members on TasWater's Long Term Strategic Plan; an overview of draft Price and Service Plan; and customer engagement next steps.

*Action: TasWater to provide Anglicare with details of the number of people covered by TasWater's Hardship Policy as at 30 June 2017.*

## 7. Water and sewerage - update on Price Determination Investigation

Ms Jo Childs (Principal Policy Analyst, OTTER) made a presentation to members on the current status and next steps for the 2018 Water and Sewerage Price Determination Investigation. Ms Childs also informed members that the Regulator's Draft Report and Determination would be released on 30 November 2017 with consultation ending on 25 January 2018.

Mr Dimasi encouraged all members to review the Draft Report and Determination and make a submission.

There were no Action Items.

## 8. Tasmanian Ombudsman update

Ms Kate Cox, (Investigation Officer) at the Office of the Energy Ombudsman outlined the recent experience with complaints regarding electricity entities for the quarter ending June 2017.

Ms Cox distributed a hard copy of the Office of the Ombudsman's report to members.

*Action: Office of the Energy Ombudsman to investigate further the possible reasons for disconnections increasing during the June Quarter and report to members at the next meeting.*

## 9. Projects on the go

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

## 10. Other Business

The following reports were tabled:

1. Australian Competition & Consumer Commission (ACCC) Retail Electricity Pricing Inquiry - Issues Paper - Report Submission  
(<https://www.accc.gov.au/system/files/Tasmanian%20Small%20Business%20Council.pdf>)
2. TSBC Response to TasNetworks Directions and Priorities Consultation Paper Transmission and Distribution Determination 2019 to 2024  
(<https://www.tasnetworks.com.au/TasNetworks/media/pdf/customer-engagement/Direction%20and%20Priorities%20submissions%202015/TSBC-Submission-TN-Directions-and-Priorities-Consultation-Paper.pdf>)

### Future meeting dates

The Committee noted the meeting dates.

It was agreed that the next meeting would be scheduled for Wednesday 13 December 2017 at 2.00pm to avoid being too close to Christmas holidays.

The meeting closed at 5:00 pm.