

ActewAGL Distribution Energy Consumer Reference Council Meeting 2 Communique, 22 January 2015

The ActewAGL Distribution Energy Consumer Reference Council (ECRC) held its second meeting on 22 January 2015 at ActewAGL, Greenway.

Representatives from Master Builders Association, Engineers Australia, Canberra Business Chamber, SEE-Change, and three representatives from the Community Councils participated in the meeting. Apologies were noted from the Property Council of Australia and ACT Council of Social Services.

Independent Chairman, Mr Allan Williams opened the meeting, advising the two key items for discussion at this meeting were:

- Update on the Australian Energy Regulator (AER) Electricity Determination process currently underway.
- Early information and planning for input into ActewAGL's AER Gas Access Arrangement Determination Submission which is due to the AER in June 2015.

Presentations

The meeting was given three presentations which formed the basis for discussion. These presentations were as follows:

- Australian Energy Regulator Determination Process, Presented by Peter Cunningham, Branch Manager, Distribution Strategy and Compliance.
- Gas Access Arrangement Submission Development, presented by Ed Gaykema, Branch Manager, Gas Networks
- Consumer Engagement Strategy activities, presented by Helen Leayr, Consumer Engagement consultant.

Copies of these presentations are available on the ActewAGL website at

<http://www.actewagl.com.au/About-us/The-ActewAGL-network/Consumer-engagement.aspx>

ECRC general discussion included:

- Support for the concept of engaging more broadly with the community on what ActewAGL Distribution's Gas Determination Submission to the AER should contain.
 - Recognition that the community may be interested in broader ActewAGL issues in the first instance. As a result it may be challenging to engage the community on the finer detail of the Gas Submission in the given timeframe. It was noted, however, that the ECRC, has an opportunity to be more engaged in discussion of the issues.
 - Visual representation of concepts will be useful.
 - Opportunities to give presentations to existing forums and community groups should be explored.
 - ECRC member organisations happy to help facilitate community meetings or workshops with their stakeholders.
- Matters for more detailed consideration at the next ECRC meeting with respect to the AER Gas Determination Submission include:

- More hard data around the options in areas of capital expenditure and the safety and reliability tradeoffs.
- Information on the proposed tariff structure and how that may impact on customer segments.
- Members expressed interest in having more opportunity to engage with the AER and the Consumer Challenge Panel, in particular noting that members of these organisations may not have a strong understanding of the ACT energy marketplace and community priorities.
- ActewAGL was encouraged to consider a broader community engagement program that covered more than just the current priority for the Gas Submission, so that over time the Canberra community could provide input across more aspects of ActewAGL's work.

The meeting resolved the following:

- The ECRC will explore writing a letter to the AER highlighting the fact that there is no one on the Consumer Challenge Panel from the ACT.
- The meeting discussed current membership of the ECRC and agreed there was good representation of the ACT consumer groups, but identified additional groups that could be approached and it was suggested consideration be given to expanding the Council's demographics.
- It was agreed that meetings of the ECRC would be held monthly for at least the first half of 2015.

AER Electricity Determination update

Mr Michael Costello, ActewAGL CEO, briefly updated the meeting on the status of the AER Electricity Determination process.

- ActewAGL lodged a response to the draft determination on 20 January 2015. ECRC members were provided with a fact sheet and copy of the foreword and Introduction from this document. Copies are available at <http://www.actewagl.com.au/About-us/The-ActewAGL-network/Electricity-network/Electricity-network-prices.aspx>
- ActewAGL's response is extensive and includes amendments in some areas, such as the timing of capital works, but generally highlights ActewAGL's concerns with respect to:
 - Use of benchmarking models
 - Backdating of the decision to 30 June 2014
 - Procedural flaws in the review process
 - Business impacts of the draft decision
- Notwithstanding any anticipated legal process, ActewAGL has commenced the process of exploring options for efficiencies and possible staff redundancies.
- Public submissions can be made to the AER until 13 February 2015. Some ECRC members expressed interest in corresponding with the AER directly.

Some members of the ECRC questioned how the ACT's electricity price is the lowest in the country yet the AER draft determination suggests ActewAGL is inefficient and the price of power too high.

The next meeting of the ECRC is scheduled for February 2015.

For further information contact Peter Cunningham, ActewAGL on 6293 5108