

Meeting Minutes

AGN Retailer Reference Group | Meeting 6

Date

Thursday, 08 December 2016

Where:

Via Teleconference - Dial in details

Dial: 1800 672 949

Guest Passcode: 7242 2670 0000

Time

2.30pm – 4.30pm

Attendees

Reference Group	AGN
Patrick Whish-Wilson (AGL)	Craig de Laine (Chair)
	Anna Mitchell
	Vicky Knighton
	David Prins (Observer, CCP11)

Apologies

Geoff Hargreaves (Energy Australia)	Elizabeth Molyneux (AGL)
James Barton (Simply Energy)	Sallie-Ann Proctor (Lumo Energy)
Sean Greenup (Origin Energy)	Paul Mullan (Alinta Energy)
Constantine Noutso (Lumo Energy)	Stefanie Macri (Lumo Energy)

Minutes

The meeting commenced at approximately 2.30pm AEDT

1. Welcome

AGN, Craig de Laine (CdL) welcomed Patrick Whish-Wilson (AGL, PW) and David Prins (Observer, Consumer Challenge Panel (CCP) 11) and thanked them for their attendance. CdL explained to David that most of the Retailer Reference Group (RRG) had attended the previous day's Reference Group Meeting in person and participated in the presentation on our Final Plan.

2. Review of Minutes from previous meeting and action items

CdL noted that the meeting minutes for Meeting 5 have been circulated. Taken as noted.

3. AGN Final Plan

CdL referred to AGN's Final Plan which has been distributed to the RRG, the Victoria/Albury Reference Group (VARG) and stakeholders more broadly. Key points noted by CdL included:

- It is still a draft but going through final review;
- Do not expect any material changes;
- Welcome any further comments;
- Hosted well attended combined Reference Group (RRG and VARG) meeting yesterday (7 December 2016), similar group that attended previous AGN Draft Plan stakeholder workshops;
- Reinforced overarching objective to submit a plan that:
 - 1) Delivers for customers;
 - 2) Is informed by effective stakeholder engagement; and
 - 3) Is capable to being accepted by the Australian Energy Regulator (AER);
- Purpose of today's meeting was to focus on the issues previously discussed, including; network tariffs, networks access and Terms and Conditions;
- Overview points:
 - o There has been a change in position in Draft Plan to the Final Plan in regards to network tariffs. The RRG made it very clear through the Draft Plan that they wanted tariff structures to be as simple as possible, and aligned across jurisdictions.
 - o AGN had proposed in the Draft Plan to align the four Victorian zones into a single zone at the start of the regulatory period, 1 January 2018, which meant that all customers would be receiving the price cuts, except for those in the northern zone. The feedback received from stakeholders at the draft plan workshops questioned if that was fair and reasonable. AGN reflected on the feedback, and has left the tariff structures as they are, and applied the 11% price decrease across the whole customer base. AGN may consider phasing in a single tariff over time.
 - o On Terms and Conditions, AGN sees only four issues left outstanding (out of the possible 100 or so Terms and Conditions), which are the same four terms as experienced in South Australia. AGN will continue the conversation with the group.

4. Network Access

AGN, Vicky Knighton (VK) discussed AGN's process of reviewing previous Access Arrangement (AA) and working through consolidation, and changes made since South Australian decision.

- AGN has added a number of amendment to address the consolidation of the Victorian and Albury AA's.
- AGN has accepted a number of changes as well as adopting wording changes put in place by the AER from the South Australian decision.
- AGN adopted the AER definitions for cost pass through events from the recent South Australian decision with the exception of the Network Failure Event and National Energy

Customer Framework (NECF) Event. This is a direct result of NECF not applying in Victoria and Albury. This is an example of instances where there will be differences between networks due to those jurisdictional differences with the regulatory framework between the South Australian AA and the Victorian and Albury AA.

- AGN adopted the incentive mechanism for operating expenditure from the recent South Australian decision and has proposed a capital and network innovation scheme in line with our engagement activities.
- Additionally, AGN reviewed the other Victorian gas distributor AA documents for consistency. Examples included Network Extensions and Speculative Capital. We also discussed emerging issues such as the Clean Energy Regulators carbon safeguard mechanism and changes to the tariff adjustment formula to address the scheme.
- Adopted some minor changes as a result of the Australian Energy Market Commission (AEMC) Draft Decision for the Retailer Distributors Credit Support.
- PW questioned/confirmed whether AGN would be rebalancing the tariffs over the five years? CdL confirmed that AGN are allowed that opportunity but it was still a contentious issue which requires a fine balance of views and needs and admitted AGN needed to consult further with those directly affected.

5. Terms and Conditions

VK spoke to AGN's Terms and Conditions stopping throughout for comment and questions. Key points noted by VK included:

- Similar review process followed as for Network Access.
- This is the third round of Terms and Conditions provided to the RRG, one version on 29 April which included all major amendments, on 1 August, this next version reflected feedback received, and this third version incorporates additional feedback from RRG.
- Only minor changes made since last meeting/version:
 - o P7, description as service provider (as a result of the consolidation process);
 - o Clause 27.2, part B, changed from 10 business days to 5 business days (in line with AEMC's draft decision on retailer distributor credit support requirements);
 - o Clause 35.5, p29, failure to provide access. AGN have amended the clause to clarify that if NECF came in, this clause would be removed (as a result of feedback from AGL); and
 - o Clause 39.2 updated the version of the Retail Market Procedures from 10 to 11 (as a new version of the Procedures had been published since the last version of the Terms and Conditions).
- CdL believes the final issues (as detailed in Attachment 15.1) compared to the last review, placed AGN in a much better position with the RRG.
- VK confirmed Victoria isn't covered by NECF and that New South Wales is, but that Albury network is exempt.
- PW raised the issue of service performance reporting/ network level of service. It was suggested that networks could start reporting on service performance (B2B) and it could be something AAs contain i.e requirements for monthly reporting which would measure service levels against targets.

CdL welcomed PW sending through information to start a discussion with AGN.

ACTIONS:

AGN to distribute all full 'tracked changes' version of the Terms and Conditions to RRG which shows all changes made through the entire engagement process.

AGL to send AGN details on service performance reporting/ network level of service to ensure conversation continues.

6. Thanks and close

AGN to confirm details of the AER Public Forum taking place on 1 February.

CdL confirmed AGN will be in touch in the New Year with a placeholder for the next meeting and proposed schedule for next year (post the public forum) and reminded RRG, AGN is always open to feedback.

CdL thanked PWP and DP again.

Meeting closed at approximately 3.15pm.

Action Items

Victoria / Albury Reference Group	Who	When
One week after circulation: Provide feedback on meeting minutes	All	3 Jan 2017
Advise potential agenda items (at least three weeks prior to meeting)	All	Ongoing
AGL to send AGN details on service performance reporting/ network level of service to ensure conversation continues	AGL	Complete

AGN	Who	When
Circulate draft meeting minutes	AM	19 Dec 2016
Distribute full 'tracked changes' version of T&C's	AM	19 Dec 2016
Distribute feedback forms to RRG to complete	AM	By 20 Dec
Distribute placeholder for first meeting of 2017 (post Feb 1 CCP Forum)	AM	Jan 2017