

Pricing Reform Working Group Meeting #1

Date: Wednesday September 21, 2016 – 9.30am to 12.30pm

Venue: TasNetworks Offices 1-7 Maria Street (Admin 1 – Gordon Meeting Room)

Attendees: David Bowker (Hydro), Georgia Palmer (LGAT), Penny Cocker (AEVA), Tom Kelleher for Jonathon Bellette (Aurora) Jack Gilding (TREA), Marc White for Kim Ayers (TasWater), Margie Law (Anglicare), Bruce Fyfe (Tassal Limited), Mark White (UTAS), Michael Bailey (TCCI), Trent Allen (Masonic Homes), John Devereaux (TFGA)

Apologies: Kath McLean (TASCOSS), Charles Scarafiotti (Nekon P/L), Margie Law (Anglicare), Robert Mallett (Tasmanian Small Business Council)

Meeting Notes

Meeting Purpose:

The purpose of the meeting was to:

- Outline the purpose of the Pricing Reform Working Group (**PRWG**), including the focus of the PRWG is to be centred on TasNetworks Pricing Strategy rather than broader revenue strategy and expenditure plans linked to the Regulatory Proposal consultation process.
- Establish relationships within the PRWG and discuss the diversity of stakeholders represented within the PRWG. TasNetworks role is to balance the interests of multiple stakeholders with competing priorities against the pricing principles which were discussed.
- Presentation from the Acting CEO, Bess Clark, on TasNetworks' business performance, business strategy and 2025 strategy.
- Provide information to help PRWG members understand the difference between transmission and distribution and to inform members of the preferred method of engagement for our transmission customers.
- Presentation of Regulatory Proposal Engagement timeline and plan for Pricing Strategy Engagement. This included information outlining key activities currently being undertaken to gather data to help inform TasNetworks Pricing Strategy, including for example, the Tariff Trial being undertaken in the lower midlands area.

Activity 1 – How the PRWG will work together:

We conducted one key activity with PRWG members brainstorming on how we will work together to get a successful outcome. The list below represents a summary of this discussion and feedback has been grouped into common themes. This represents a combination of member feedback as well as expectations on TasNetworks.

- Members supported the following behaviours or rules for how we work together:
 - Honesty – and TasNetworks is to assist enhancing feedback discussions by being clear about the level of engagement expected in line with the IAP2 engagement framework. Professionalism - Be professional in our conversations, TasNetworks and members recognise the differences in opinion respectfully (for example, walk in each other's shoes).
 - Listen and learn - listen and seek to understand the communications and issues raised by TasNetworks and members. TasNetworks are to provide a learning environment with clear and simple messaging (including avoiding the use of jargon).
 - Meaningful contribution –members need to contribute to meetings and feedback opportunities to make a difference. Members value the opportunity for meaningful feedback. TasNetworks are to identify circumstances when the members will be asked to discuss issues confidentially (where appropriate). This will ensure members have a clear understanding of what information can be shared with represented stakeholders and what information is solely to enhance the value of discussions in the meeting. Noting if any confidential information is provided this is covered in the PRWG Terms of Reference.
 - Responsive – TasNetworks is to be responsive to the feedback from the members.
 - Transparent and realistic – in line with the IAP2 engagement framework TasNetworks is to committed to being transparent in its communications and realistic in its ability to respond and the level of engagement possible from the members in line with the IAP2 engagement framework.
- Throughout the process, focus on the principles of **fairness, sustainability** and areas where meaningful input is able to impact end outcomes.

TasNetworks Commitments:

To ensure the optimal engagement and discussion during PRWG meetings, TasNetworks will ensure the following:

- Ensure the objective of the PRWG is clearly outlined in the Working Group's Terms of Reference. The Terms of Reference was reviewed in light of the feedback and no change recommended.
- Upcoming meetings to be scheduled for November 2016, February 2017 and July 2017.
- The provision of meeting agenda and materials to PRWG members at least two weeks in advance of scheduled meeting date. In addition, provide an outline of the specific areas from which member feedback will be sought. This will provide PRWG members the opportunity to consult their stakeholders prior to the meeting.
- PRWG members to be kept informed of additional opportunities to provide feedback, including for example, the AER's Draft Decision forum, and opportunities related to the upcoming Framework and Approach process as part of the revenue reset consultation program.

Actions

The table below provides a summary of the actions captured during the inaugural PRWG meeting.

Action	Responsible	Due date
Provide PRWG members with the Framework and Approach consultation paper (related to the revenue reset consultation program), requesting submissions by 14 October 2016.	Jo Arnol	30/09/2016 complete
Provide PRWG members with the presentation and materials delivered at the meeting on 21 September 2016.	Jo Arnol	30/09/2016 complete
Provide PRWG members with information regarding the Australian Energy Regulator Draft Decision Public Forum 18/10/2016 and decision overview document.	Jo Arnol	07/10/2016 complete
Provide PRWG members with information as to the impact the 2015-16 revenue over recovery had in respect to 2016-17 network tariffs.	Chantal Hopwood	28/10/2016 complete
Provide PRWG members with information regarding our plan for customer consultation on 2025 Business Strategy.	Ben Wagner	28/10/2016 complete
Provide PRWG members with an outline of the key dates relating to the Regulatory Proposal and Tariff Structure Statement.	Chantal Hopwood	04/11/2016 complete
Organise an optional workshop on network planning and demand management for PRWG members. Also provide transmission and distribution regional maps – consumption/demand, asset usage, loss factors to the group.	Jo Arnol	28/10/2016 complete
Provide Working Group members with a link to the 2016 TasNetworks Annual Planning report.	Jo Arnol	30/09/2016 complete
Set meeting dates and <u>topics</u> for November 2016, February 2017 and July 2017 and send invitations to PRWG group.	Jo Arnol	30/09/2016 complete