



Pricing Reform Working Group

Terms of Reference and Charter (“Charter”)

Version Number 1.1, August 2016

Overview

The Pricing Reform Working Group will contribute to the direction of Tariff Reform in Tasmania. This Charter provides an outline of the Working Group’s charter of governance and operations.

1. Overview

TasNetworks Pricing Reform Working Group (**Working Group**) will contribute to the direction of Network pricing strategy and reform in Tasmania.

This Charter provides an outline of the Working Group's charter of governance and operations.

2. Document purpose

This document sets out the Terms of Reference for the Working Group.

3. Background

TasNetworks "voice of the customer" program represents the cornerstone of our Customer Service Strategy and ensures that we consider the customers perspective and their voice in our activities and decisions. This program establishes a platform from which our customer engagement framework, service improvement, customer culture and satisfaction measurement activities will evolve.

Considering the public debate on electricity pricing reform and recent pricing related rule changes, TasNetworks is committed to taking a proactive approach in consulting with our customers on pricing reform and the establishment and refinement of our Pricing Strategy. The development of a framework for sustainable and predictable customer pricing continues to be a key focus for TasNetworks.

We created the Working Group in late 2014 to provide advice on customer needs and issues in respect to our Pricing Strategy and how we plan to reform the way we price our services. We are constantly seeking to improve our engagement processes, refining our messages and responding to our customers' and stakeholders' feedback. Through our engagement activities to date we have sought feedback and input on a wide range of pricing matters, including tariff design, transition paths for tariff reform, and whether our proposed tariffs are implementable and easily understood.

Continuation of the Working Group will enable us to extend the consultation process on pricing reform with our customers and contribute to meeting our vision and customer service objectives by providing an opportunity for our customer groups to provide feedback as we progress towards fairer pricing for customers.

4. Membership

Membership of the Working Group will represent a wide range of fields, backgrounds, views and expertise.

Representatives from the following customer segments have been invited to participate:

- **Customers** – who are recipients of our service and are connected to our electricity and/or communications network.
- **Retailers** – our customers who hold a 'retailer authorisation' issued under the National Energy Retail Law in respect of the sale of electricity

- **Representative Groups** – Our customers who represent a group or individuals impacted by or with an interest in our operations
- **Partners** – Our customers who we work with in a collaborative manner to meet our connected customers' needs and to achieve best possible outcomes for all involved
- **Stakeholders** – Our customers who have a significant interest and influence on the operation and management of our business

Where possible, we will include at least one representative from the above customer segments.

5. Responsibilities

The Working Group is advisory in nature and is to provide advice on customer and stakeholder needs and issues in respect to pricing strategy development and act as a link to and from member organisations and report back to TasNetworks. The Working Group is intended to be a forum for open discussion, the group will focus on assisting and advising, with the development of efficient solutions for customers and will not act as the decision maker.

Further, the Working Group will contribute to developing a shared understanding of crucial aspects of pricing strategy and how best to approach reform in the Tasmanian context. Working group members may make recommendations to their respective organisations on issues considered by the Working Group.

The scope of the Working Group is as follows:

- comment on pricing strategy options consistent with the signalling of network costs to customers;
- contribute to the development of an overall network pricing framework that customers can understand;
- describe likely impacts of pricing reform on customers, retailers, the network and other stakeholders; and
- provision of advice for transition from current charging arrangements to more cost reflective pricing arrangements.

In order to facilitate informed discussion by the Working Group and a collaborative working process, TasNetworks may circulate materials both prior to meetings and afterwards. There is an expectation that group members will prepare appropriately for meetings, and share materials and meeting outcomes with their respective organisations.

TasNetworks may also circulate to the Working Group on a confidential basis papers that have not been publicly released. In this case, the relevant confidentiality provisions will be clearly set out when documents are circulated, and Working Group members will be provided with those documents on the condition that they comply with the applicable confidentiality restrictions.

6. Working principles

Each represented organisation will appoint one Working Group member. In the event that a Working Group member is unable to attend a meeting, the represented organisation may identify a proxy.

Membership of the Working Group will be reviewed annually, to allow for other interested parties to be involved. New Working Group members will be briefed on the objectives, practices and responsibilities of the Working Group. This will be done as part of the first meeting.

7. Meetings

Working Group meetings will be held quarterly, however, may be adjusted as required.

A minimum of three (3) Working Group members must be present to constitute a quorum with at least one attendee from TasNetworks.

TasNetworks' Leader Regulation will act as the Chair of the Working Group. In consultation with the Working Group the Chair will develop and distribute agendas, papers, minutes and calendar. Under normal circumstances, a notice of each meeting confirming the date, time, venue and agenda shall be forwarded to each member of the Working Group at least one week prior to the date of the meeting.

Minutes of proceedings and resolutions of Working Group meetings shall be kept by the Chair. Minutes will be prepared and circulated to Working Group members prior to the meeting.

TasNetworks will provide secretariat functions to support the working group (coordination, setting meetings, circulating agenda and minutes).

8. Contact for enquiries (policy custodian)

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9. Authorisations

Action	Name	Date	Signature
Prepared by	Chantal Hopwood, Team Leader Revenue and Pricing Regulation	30 May 2016	
Authorised by	Kirstan Wilding, Leader Regulation	22 August 2016	
Review cycle	As appropriate		

10. Document Control

Date	Version	Description	Author	Approved by
03/06/2016	1	Version issued for authorisation	Chantal Hopwood	Kirstan Wilding
22/08/2016	1.1	Version issued for authorisation	Chantal Hopwood	Kirstan Wilding