

MINUTES OF CONSUMER ADVISORY COMMITTEE MEETING

WEDNESDAY, 27 NOVEMBER 2013 – 10:00AM

LEVEL 27, 145 ANN STREET, BRISBANE

Present

Members

Dr Malcolm Roberts (Queensland Competition Authority, Presiding Officer)

Ms Carly Allen (Queensland Council of Social Service)

Ms Nadine Lester (Queensland Council of Social Service)

Mr Ian Jarratt (Queensland Consumers Association)

Ms Julia Mylne (Chamber of Commerce and Industry Queensland)

Mr Jonathan Pavetto (Queensland Cane Growers Association)

Ms Robyn Robinson (Council on the Aging)

Observers

Mr Mark Barton (Energy and Water Ombudsman Queensland)

Mr Rodney Cameron (Department of Energy and Water Supply)

Mr Eduardo Cranston (Department of Energy and Water Supply)

Mr Adam Liddy (Queensland Competition Authority)

Apologies

Mr Charles Millsted (Queensland Competition Authority)

Ms Shirley Schurmann (Financial Counsellors' Association of Queensland)

1. Previous minutes

The Committee resolved that the minutes of the meeting held on 28 August 2013 be accepted as a true record of proceedings

2. Australian Energy Regulator update

Mr Moston Neck and Ms Robyn Lowien from the Australian Energy Regulator (AER) provided members with an update on the Queensland electricity distribution determination process for 2015-2020. The AER outlined opportunities for consumer groups to contribute to the process and invited members to attend consultation meetings in January and March 2014, and provide submissions to an issues paper which would be released in December 2013.

Members discussed the difficulties for retailers and the QCA associated with the October release date for final network tariffs and the factors likely to affect network prices for the 2015-20 determination period. Members expressed their concern about the applicability of the AER's new guidelines to QLD NSPs at the upcoming regulatory determination.

3. Ergon hardship issues

Members discussed the paper prepared by QCOSS. The paper outlined issues raised by financial counsellors and emergency relief workers about Ergon Energy customers experiencing financial hardship.

Members discussed the response from Ergon Energy and how to identify customers likely to experience long-term financial hardship at an earlier stage to better manage their situation.

The QCA agreed to seek further information from Ergon Energy on behalf of the committee.

4. Retail price determination 2014-15

The QCA updated members on the 2014-15 retail price determination process. The QCA informed Members the approach to setting regulated retail electricity prices in the forthcoming Draft Determination would be similar to that followed in 2013-14, as there had been no major policy changes, or issues raised in submissions, that would affect the methodology.

The QCA informed members it was on track to release the Draft Determination by 13 December 2013 and aimed to release it earlier if possible. While the timetable for 2014-15 allowed for greater consultation, the QCA highlighted that it also increased the potential for prices to change between the draft and final determinations.

Members discussed the tariff 11 transition to cost reflective fixed charges. Members discussed the effect on residential and agricultural consumers of increases in fixed charges in general, and the factors driving these changes.

5. Advice on uniform tariff policy and regional price regulation

The QCA informed members that it had received a ministerial direction to investigate and report on the efficiency and effectiveness of the current Uniform Tariff Policy (UTP) and options for maintaining the UTP and setting notified prices upon price deregulation in south east Queensland. Members were informed the QCA would release an issues paper by the end of the year, and members were encouraged to put in submissions.

In addition to considering submissions to the issues paper the QCA will consult with stakeholders via workshops held in Brisbane and regional centres. These workshops will discuss this investigation as well as the draft determination of regulated retail prices for 2014-15.

Members discussed how the UTP was targeted, options for reforming its scope and how the UTP could be maintained in future. Members asked for a separate workshop on this issue in Brisbane so it could be discussed separately from the price determination.

6. Requested amendments to notification and consent provisions in the Electricity Industry Code

Members were informed that the QCA had received a request from the Minister to amend the Electricity Industry Code (the Code), and that an Interim Consultation Notice was released on 22 November 2013.

A member informed the QCA that they had written to the Minister requesting additional amendments to the Code and discussed the possibility of making further changes to the Code if the introduction of the NECF was delayed beyond 1 July 2014.

7. Requested amendments to the Electricity Industry code customer disconnection provisions	Members discussed the Final Decision on the changes to customer disconnection provisions requested by Energex. Members were informed that the proposed Code amendments had been sent to the Minister for approval.
8. Code enforcement issues	Members discussed Origin Energy's multiple contraventions of the code. Members were informed that the QCA was aware that many incidents were a direct result of Origin implementing a new IT system, and expected Origin's compliance performance to improve in future.
9. Other decisions since last meeting	Members discussed the approval of customer handling procedures and the review of minimum service standards and guaranteed service levels.
10. Forward work program	Agenda paper noted.
11. EWOQ update	<p>Members were informed that EWOQ had closed 5445 cases for the financial year to date (as at 30 September 2013). In September 2013 EWOQ received 1250 new cases and closed 1240 cases. EWOQ received 1383 cases in October, closing 1370.</p> <p>As with previous reports, the largest number of cases were raised regarding billing issues. 2,200 of these cases were raised for the financial year to date (as at 30 September 2013).</p>
12. Department of Energy and Water Supply update	<p>The Department provided the following report to members:</p> <p><i>Queensland Government Energy Sector Reform Update</i></p> <p>Energy sector reform is in full swing and remains the focus of the Department. DEWS Energy Reform Program Office is preparing a critical pathway, which involves identifying the outcomes of the reform program, the objectives and approach to implementation.</p> <p>The critical pathway is essential for a number of reasons, including:</p> <ul style="list-style-type: none"> - Defining the boundary between ERI Program and 30-Year Strategy - Identifying the strategic forward timetable for ERIC and Reference Groups - Engagement with key stakeholders to ensure consistent messaging - Engagement across DEWS project areas <p>This body of work will guide our forward program.</p> <p>The Program Office also has a cabinet submission for the 2 December sitting, discussing the status of the reform package and recommendations on the commencement of price monitoring and NECF. The ERIC has also developed a forward meeting schedule to ensure key decisions will be progressed.</p> <p><i>30 Year Electricity Strategy</i></p> <p>On 11 September DEWS released the 30 year electricity strategy discussion paper – providing a chance for community and electricity industry to have their say and contribute to a better energy future for the State.</p>

The discussion paper identifies the immediate challenges, including the recommendations of the Interdepartmental Committee on electricity sector reform, and seeks feedback on 10 proposals intended to address these current challenges. These actions will be the basis for achieving our vision for the sector over the longer term.

Workshops with key stakeholders were held earlier this month; outcomes will be presented to the ERIC early December.

The 30 year electricity strategy is to be released in 2014

On-supply

DEWS is still considering a range of options proposed to address on-supply issues, however main focus or objective is to improve customer protections for these types of customers, such as providing access to rebates and hardship programs, dispute resolution.

EWOQ Access Arrangements

DEWS is undertaking a review of EWOQ access arrangements to potentially include on-supply customers and increasing the consumption threshold amount – DEWS is hopeful of a decision by early 2014

Statistics

A total of 318 cases were investigated by DEWS in the Q3 with the top 3 issues being Billing 25%, Solar PV 25%, and On-Selling 9%.

General Business

No issues were raised

Next Meeting

The next ordinary meeting of the Committee will be held on Wednesday 26 February 2014 from 10:00am to 2:00pm