

MEETING NOTES

Consumer Consultative Committee

26 May 2021 12.30–2:25 pm

Video conference

Welcome, opening comments and apologies

Senior Commissioner Joe Dimasi welcomed the attendees and outlined the agenda for the meeting.

No apologies were noted.

Licensing and performance

The utility license update took effect from 1 March 2021 and are on the ICRC website. The licenses have been simplified and drafted in clear, plain English.

Each year the licensed utilities have to prepare an annual report on their compliance with their obligations under the utility licence and the legislation. The Commission assesses this information and publishes the results in its annual performance monitoring report. The monitoring report for 2019-20 is on our website.

Information management

The Commission's information management framework explains how we manage information and improves transparency and guidance for stakeholders. We are currently updating our guidance material on how we implement the framework.

A new Submissions Guide is now on our website. The Submissions Guide advises stakeholders how to make a submission and how the Commission treats confidential information. The document has been drafted in plain, clear English to make the submissions process more accessible.

We are updating the Material Breach Guidance Note. The Guidance Note guides utilities on what is a material breach of a utility license and how to report that breach to the Commission. The Guidance Note will be made available for public comment for two weeks in early June 2021.

We will update our Disclosure Guidelines this year.

Retail Electricity (Transparency and Comparability) Code

The Code will require electricity retailers to calculate and advertise discounts against a reference price, advise customers on their bills if the retailer has a better offer that could save the customer money, and provide clear advice when talking to customers or potential customers.

We held a public forum on 24 March 2021 about the draft Code and Report. The submission period closed on 9 April 2021. We are in the process of finalising the Code and Report.

Electricity and water price regulation

Electricity prices in 2021-22

Each year the Commission sets the maximum average percentage change that ActewAGL can apply to its basket of regulated standing offer tariffs. The maximum allowed price change for the year is calculated based on changes in certain cost components. These include the wholesale cost of electricity, and network costs for the poles and wires used to transport electricity, and ACT government environmental scheme costs. The price change for 2021-22 will be announced in early June 2021.

Glenys Patulny, attending on behalf of the Combined Community Councils of the ACT, asked what the Commission expects the magnitude of the price increase to be. Senior Commissioner Dimasi said the price rise would be in double digits. The main contributor is the increase in network costs including ACT government scheme costs, which was announced by the Australian Energy Regulator. The increase in ACT government scheme costs reflect volatility in the wholesale price of electricity. Senior Commissioner Dimasi said the regulated electricity prices in the ACT will be in line with other jurisdictions.

Mr Schaper, on behalf of the Canberra Business Chamber, asked that the Commission includes the impact on small business in our price decision media release.

Water and sewerage services prices in 2021-22

Each year the Commission adjusts the maximum prices for water and sewerage services that Icon Water can charge. The price adjustment accounts for changes in the Consumer Price Index, cost of debt, and water charges such as the ACT Government's Water Abstraction Charge. The prices that will apply from 1 July will be published in June 2021.

Responding to Ms Patulny's question about whether we consider maintenance costs and capital expenditure in the price adjustment, Annette Weier (ICRC) explained that we assess the prudence and efficiency of the capital expenditure and maintenance programs are assessed in our water investigation review.

The water reset report will also include our update of the water and sewerage service contribution charge. This charge applies to developments that increase the demand on the water and sewerage services network. The charge is used to partially fund future network upgrades.

Adina Cirson, attending on behalf of the Property Council of Australia, said it will give the Commission its views on the water and sewerage service contribution charge later this year.

Forecasting demand for water and sewerage services

This review is part of our broader strategy to make sure our modelling and forecasting methods remain fit for purpose. We review our regulatory models and forecasting methods regularly to confirm that they remain appropriate.

Work in Progress

A summary of current and upcoming projects was circulated prior to the meeting and noted by attendees.

Next meeting

The date of the next meeting will be advised in mid-2021.

The meeting closed at 2:25pm.
