

**Pricing Issues Consultation Group Minutes for website
Meeting held on Thursday 30 January 2003, 2-4pm**

Organisation	Representative
IPART	Lisa Spence , Anna Brakey, Steve Tropoulos, Michael Seery, Eric Groom, Emma Kelso.
Australian Inland	Adrian Ray (yes)
National Retailers Forum	Bruce Page (TXU) (yes)
TransGrid	Chris Baker (apologies), David Conroy (yes)
SEDA	Chris Dunstan (apologies), Emily Fewster (yes)
Ministry of Energy and Utilities	Anthony Poon (yes)
EnergyAustralia	Harry Colebourn (yes)
Centre for International Economics	James Beard(yes)
PIAC	Jim Wellsmore (apologies), Trish Benson (apologies)
AGL	Kam Khelawan (yes)
ICRC	Mark Vassarotti (yes)
NSW Treasury	Nicola Tully (yes)
Energy & Management Services Consultancy	Peter Halyburton (yes)
Integral Energy	Robert Telford (yes)
ESC - Victoria	Sally McMahon (yes)
Country Energy	Terry Crossley (apologies), Paul Smith (yes)

Agenda	
2pm	Introduction and operations of the consultation group - IPART
	Introduction of group members
	Obtain comments from members on the Terms of Reference
	Approximate timeline - IPART
Break	2.45pm - 3pm
3pm	Obtain general feedback from stakeholders on the operation of the existing Pricing Principles & Methodologies (PPM) An opportunity for stakeholders to comment on the current PPM, and raise issues which they feel may warrant significant attention during the review.
	Discuss the Pricing Objectives and Principles which should underpin the 2004 pricing framework (refer to sections 5.1 and 5.2 of the existing Pricing Principles & Methodologies (PPM) Report, June 2002). Are the current objectives and principles appropriate and applicable to a weighted average price cap form of regulation? Should the pricing principles be more, or less prescriptive, and are they achieving the objectives of the Code?

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MINUTES

- Introduction and welcome by Lisa Spence (LS) (IPART).
- Background to current pricing principles and methodologies (PPM) document provided by Eric Groom (EG) (IPART).
- Individual introduction by each participant in the group.
- Overview of 2004 Network Determination – program, review process, and where this consultation group fits in - provided by Anna Brakey (AB) (IPART).
- LS: asked for comments on the Terms of Reference – **Terms of Reference accepted by the Group.**
- LS: presented the proposed timetable for the next meetings. The next session is proposed on 6 March. Confirmation will be requested in the next week.

(All meetings will be held on a **Thursday** from **2pm- 4pm** unless otherwise stated)

	Proposal	Topics
1	30 January 2003	<ul style="list-style-type: none"> • terms of reference • general review of existing PPM • principles & objectives
2	DOUBLE SESSION 6 March 2003	10 pm - 12 pm <ul style="list-style-type: none"> • general pricing issues • pricing proposals • information disclosure (to the public and the regulator) • price and service reports 1.30 pm – 3.30 pm <ul style="list-style-type: none"> • asset utilisation/ demand management • embedded generation • negotiation
3	Wed 30 April 2003	<ul style="list-style-type: none"> • (continue with items from previous meeting) • avoided TUOS and distribution costs • unbundling of transmission charges
4	12 June 2003	<ul style="list-style-type: none"> • consider other requirements in Part E of the Code eg billing and prudential requirements • Discuss outstanding issues
5	7 August 2003	<ul style="list-style-type: none"> • Discuss outstanding issues
	NOVEMBER 2003	Tribunal's Draft Decision for 2004 Network Determination due
6	22 January 2004	<ul style="list-style-type: none"> • Consider submissions to the Draft Decision
	MARCH 2004	Tribunal's Final Decision for 2004 Network Determination

- LS: Asked for comments on the existing Pricing Principles and Methodologies document.
- **Actions**
 - Harry Colebourn (HC) (EnergyAustralia)
 - To provide a proposal to circulate at the next meeting in regards to the format of the information that could be disclosed to the public.
 - Anna Brakey (AB) (IPART)
 - To circulate a discussion paper for the next meeting on the disaggregation principles and pricing issues associated with implementing the WAPC.

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- Bruce Page (BP) (National Retailers Forum):
 - Discuss with other members of the national retailers forum information that is useful to retailers.
- LS: Moved the discussion to the second half of the agenda – the existing principles in the PPM and how they could be improved. Participants are to note that the principles will also be reviewed during other sessions, as the individual topics are discussed in more detail.
- **There was general agreement by the Group to the principles as they currently appear in the PPM, with further consideration of Principle 7 in relation to transmission charges to occur in Meeting 3 (discussion on unbundling of transmission charges).**