

PACCCC MEETING SUMMARY

Tuesday 9 September 2008

CitiPower and Powercor Boardroom, Melbourne

ATTENDEES: Shane Breheny – CEO (Chair)
Brian Sullivan - General Manager Human Resources & Corporate Affairs
Brendan Bloore – General Manager Customer Services
John Pye - Victorian Farmers Federation
Christine May - Rural representative
Rob Lorenzon - Australian Industry Group
John Mifsud – Manager Business Strategy
Phi Gardiner – Manager Energy Metering Solutions – AMI (part meeting)
Andrew McKay - Manager Retailer & Customer Relations (part meeting)
Hugo Armstrong – Manager Corporate Affairs (Committee Secretary)
Lyndsay Taylor – CA Administrative & Events Officer (Minute Secretary)

APOLOGIES: Garry Audley – General Manager Electricity Networks
Gavin Dufty – St Vincent de Paul
Peter Brown – City of Moreland

Andrew McKay gave an update on progress with the CFA to assess pager compatibility as part of the Push Communications Project scope. Andrew has made contact with the Chief Communications Officer at CFA who indicated the organisation is interested in further investigation.

An update on the AMI project was tabled. Phil Gardiner gave an overview of global AMI usage and discussed the revised AMI program for Victoria approved by the Minister. Committee members questioned where early target customers would be for the rollout of meters and the reliability of signals when transmitting metering information. Phil explained that the development strategy and roll out were being developed; with work in hand to clarify the reach of technologies in metro fringe and rural areas. There will be a combination of technologies used including using 3G technology. The two way meters should allow for the possibility of embedded generation such as local photovoltaic installations. Phil also covered two element metering in his presentation. CEO Shane Breheny also commented that CitiPower and Powercor had reserved its position on the Government's move from a five year forecast model through a price review to an annual cost pass through model, pending further clarification.

Andrew McKay tabled and discussed a presentation on AMI Customer Management Proposals. He outlined the background, customer touch points, strategic context, objectives and critical success factors of the project.

Committee members questioned how customers would learn to harness the information available to them. Shane Breheny explained there were likely to be many software applications that would turn meter information into understandable consumer information. It is anticipated electricity retailers will take the lead in this area. Discussions evolved around the draft vision for the project. It was agreed the wording should be reconsidered since the vision should reflect the business's role in meeting the Government policy objective of empowering, educating and rewarding the customer for a better environmental outcome.

Andrew McKay and Hugo Armstrong presented information on the business reaching the milestone of one million customers and International Customer Service Week activities. The

celebrations for reaching the one million customers milestone included a charitable giveaway of energy efficient white goods to support the disadvantaged.

Shane Breheny reported on a recent briefing he attended covering the Office of the Essential Service Commission's report on the April storms. Only a brief overview was presented as the final report had been sent to the Minister and would be released soon. It was thought some of the delays could be attributed to the fact SES was fully stretched during the storms and power could not be restored until vegetation was secured. Shane Breheny also asked that a tour of the joint network control room be organised for committee members.

In other business, John Mifsud provided an update on the CBD Security of Supply Project, noting the Essential Services Commission has approved the cost recovery model. He said 2008 was a year of project scoping and some works would begin in 2009.

Committee members questioned whether gas generation developments in western Victoria would have an impact on the distribution network, noting that the dairy industry was likely to expand in this region. Shane Breheny responded there were no great supply constraints in this region compared with outer metropolitan areas.

Shane Breheny also noted that industry demand is growing more slowly.

Brian Sullivan noted the Deputy Prime Minister's Award for apprentice management. In all 400 apprentices and trainees are employed in Victoria and South Australia by our businesses, ETSA Utilities and major contractors.

The Business Performance Report was tabled. It was noted that the highest ever compliment to complaint level has been achieved.