

Consumer Challenge Panel sub-panel 8 meeting with AER Board

Friday 28 August 2015 2-3pm

Regarding CCP8 advice on regulatory proposals for gas distribution networks 2016-2021

Australian Gas Networks (AGN) in South Australia and ActewAGL Distribution in the ACT, Queanbeyan and Palerang

The purpose of the meeting is for sub-panel members David Prins and Robyn Robinson to engage with the AER Board to present their advice and to answer questions and comments from the AER Board.

The following are suggested agenda topics for verbal presentation and discussion.

- 1. Challenges for gas distribution networks and for the AER in gas network regulation**
 - a. Falling demands for gas
 - b. Investment in capex / increasing the RAB to target network growth
 - c. Demand forecasts
 - d. Gas as a fuel of choice / the future for gas network regulation
 - e. Funding of innovation in the regulatory environment

- 2. Key issues in the Australian Gas Networks (AGN) proposal in South Australia**
 - a. Stakeholder engagement
 - b. RAB
 - c. Capital expenditure – network
 - d. Capital expenditure – IT
 - e. Operating expenditure
 - f. Incentive schemes

- 3. Key issues in the ActewAGL Distribution proposal in the ACT, Queanbeyan and Palerang**
 - a. Consumer & stakeholder engagement
 - b. Operating expenditure
 - c. RAB
 - d. Capital expenditure

- 4. General observations on both gas distribution business proposals**
 - a. Rate of return
 - b. Approach to outsourcing for network asset management and IT
 - c. Contestability in metering
 - d. Gas business benchmarking
 - e. Challenges for sub-panel 8