

FULL RETAIL CONTESTABILITY 2001

NSW Natural Gas: Achieving Strategic
and Operational Readiness for FRC

25-26 June 2001

Medina Grand Harbourside, Sydney

Keynote Presentations

- Outlook for the NSW Natural Gas Market,
Jane McAloon, Director General NSW
Ministry of Energy and Utilities
- New Market Entry, Susanna Collier,
Customer Acquisition Manager Virgin Mobile

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8:00 - 9:00 Registration and coffee

Introduction

9:00 - 9:10 *Opening Remarks from the Chair*

David Masters - Vice President, ICF Consulting

Outlook for the NSW Gas Market

9:10 - 9:40 *Ministerial Address*

Jane McAloon - Director General,
NSW Ministry of Energy and Utilities

- Vision for the gas industry
- Balancing the need for regulation with the maintenance of an attractive investment environment
- Current status of the reform process in NSW
- Emerging opportunities for NSW market participants

Market Structure and Arrangements for Retail Competition

9:40 - 10:15 *FRC Regulatory Framework*

John Hughes - Manager, Gas Policy and Regulation,
NSW Ministry of Energy and Utilities

- Establishment of a regulatory framework for retail competition
- Full Retail Contestability: Process and achievements
- Customer welfare provisions
- Role of government in the new FRC environment

10:15 - 10:55 *Introducing GRMCo*

- Establishment and role of GRMCo
- Opportunities for interstate convergence - enhancing the jurisdictional scope of GRMCo
- Market implementation project: Current status report

10:55 - 11:10 Break

Operating in the New Market - The Perspective of Participants

11:10 - 11:50 *Challenging new markets*

Wayne Gregory - National Manager, Regulation and Government Affairs, Origin Energy

- The emergence of national retailing
- Commercial risks for retailers in the contestable environment
- Market and regulatory convergence
- Issues and observations specific to the proposed NSW gas market

11:50 - 12:30 *Incumbent Retailer Perspective*

Michael Fraser - General Manager, Energy Sales and Marketing, AGL

- Opportunities for retailers in the contestable environment

- Commercial risks for retailers in the contestable environment
- Market and regulatory convergence
- Issues and observations specific to the proposed NSW gas market

12:30 - 1:30 Lunch

1:30 - 2:10 *Impact on Players Upstream of the Retail Market*

Geoff Pollard - General Manager, Asia Pacific Trading & Marketing, Duke Energy International

- Observations and opportunities specific to the emerging contestable environment
- Impact of FRC on players upstream of the retail market
- Duke activities in NSW
- EGP products for NSW retailers

Operating in the New Market - Opportunities and Challenges

2:10 - 2:50 *Experience from the Telecommunications Industry*

Susanna Collier - Customer Acquisitions Manager, Virgin Mobile

Virgin Mobile's experiences in entering new markets, using the example of the domestic telecommunications market to convey to utility retailers a set of Market Entry Principles

- Industry competition
- Customer value drivers - lessons for energy
- Acquiring and maintaining customers
- Industry convergence

2:50 - 3:10 Break

3:10 - 3:50 *The Emergence of FRC in Other Jurisdictions - Opportunities for Industry*

Nick McHugh - Director, DGJ Projects

- The current FRC timetable
- The role of industry in shaping policy and the regulatory framework
- Leveraging off the experience of existing FRC regimes
- The role of government, incumbents and new entrants in the process

3:50 - 4:30 *The Competitive Gas Market in Victoria - The Victorian Supply Option*

Terry Grimwade - Executive Manager, Energy Markets, VENCORP

- The Victorian Gas Spot Market - overview

Seize the commercial opportunities presented by Full Retail Contestability

- Market carriage: consistency with a dynamic customer portfolio
- Contestability and retail portfolio volatility: wholesale market risk
- Historical market outcomes: market performance during "surprise" events
- Outcomes of the Gas Market Review
- Managing the interface between the Victoria/NSW markets
- The Victorian gas FRC project: how is this being managed?

4:30 - 4:40 Closing Remarks from the Chair

4:40 End of session cocktails compliments of Quorum United

A strategic conference aimed at promoting commercial readiness in the period leading-up to full retail contestability in the NSW gas market

- **Understand** the current status of the industry reform program
- **Learn** about the FRC regulatory framework which is being established to facilitate competition
- **Capitalise** on the emerging opportunities and risks specific to the proposed industry systems
- **Hear** the views of leaders from across the energy and related industries
- **Participate** in strategic work-shops and appreciate the tactical challenges presented by the emerging competitive environment

DAY TWO

A series of strategic workshops designed to present conference participants with a more detailed induction of specific features of the FRC market.

8:30 - 9:00 Morning coffee

Introduction

9:00 - 9:10 Opening Remarks from the Chair

Workshop One

9:10 - 10:50 *Market Entry and Defence Theory*

Charlie Nelson - Director, Foreseechange

- Winning customers in a transaction based industry
- Protecting Market Share
- Customer ownership and enhancing the customer value proposition
- Maintaining customers in a high change and emerging energy industry
- Product bundling and margin management
- Discriminatory pricing theory and perceived value
- Market segmentation and strategy (early-adopters, punishers etc.)
- Experience from similar industries

10:50 - 11:10 Break

Workshop Two

11:10 - 12:10 *Network Balancing Arrangements*

Derrick Ryley - Partner, PricewaterhouseCoopers

- Technical summary of arrangements
- Incentive mechanism
- Portfolio implications for retailers
- Hedging imbalance risk

12:10 - 1:10 Lunch

Workshop Three

1:10 - 2:20 *Load Profiling*

Stephen Weston - Partner and Peter McNally - Senior Consultant, Trowbridge Consulting

- FRC and the Need for Load Profiling
- Load Profiling Options
- Summary of Load Profiling Arrangements for NSW Gas
- Impacts on Retailers
- Impact on Customers

2:20 - 2:40 Break

Workshop Four

2:40 - 3:50 *Customer Relationship Management*

Greg Harbor - Director, Cap Gemini Ernst & Young

- Successful Retailing in the contestable environment
- Owning the customer
- Opportunities in customer relationship management

Workshop Five

3:50 - 4:50 *Customer Protection Arrangements*

Clare Petre - Energy and Water Ombudsman, NSW

- Role and responsibilities of the Energy and Water Ombudsman
- How the Energy and Water Ombudsman fits within the gas retail market
- Facilitating the industry's customer protection arrangements
- Dispute resolution and complaints management obligations of authorised NSW retailers
- Overview of the services provided the NSW Energy Ombudsman

4:50 - 5:00 Conclusion

Conference Objectives:

- To provide a strategic appreciation of the core challenges, opportunities and risks presented by the emerging arrangements for full retail contestability in gas
- To promote industry readiness during the preparatory period leading up to the implementation of the contestable market
- To provide the views, concerns and comments of industry leaders from across the energy and related industries

Who should attend?

Executives, managers and operational staff from the:

- Gas industry
- Electricity Industry
- Telecommunications Industry
- Water Industry
- Government and Regulatory Bodies
- Energy Customers
- Lawyers
- Consultants
- Energy Traders and Brokers
- Energy Aggregators
- Academic bodies
- Finance Industry

Cannot Attend?

Purchase the conference notes and training materials for \$650 + 10% GST (\$715 total) by appropriately marking the registration form.

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Registration	Fee	GST	TOTAL
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<input type="checkbox"/> Conference notes only	\$ 650	\$ 65	\$ 715

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Venue: Medina Grand, Harbourside, Sydney

Host: Quorum United PTY LTD - Events excellence - ACN: 096 634 070

Cancellation: If unable to attend, a substitute delegate is welcome. For cancellation of registration, notice in writing must be received at least 14 days prior to the conference, and occurs a \$200 fee (+GST). From 7-14 days prior, Conference documents and a 50% refund are available. No refunds are possible less than 7 days prior to the Conference.

Content and timing may be amended, and any changes will be immediately communicated to delegates.

Register and pay by May 31 and SAVE \$200