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# KPMG Customer Engagement Report: Reference Service Proposal

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July 2025

**PUBLIC**



# Reference Service Proposal: Customer Engagement Summary Report

Australian Gas Networks

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25 June 2024

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## **Inherent Limitations Disclaimer**

This report has been prepared as outlined with Australian Gas Networks in the Scope Section of the engagement letter/contract 29 May 2024. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed. The findings in this report are based on a qualitative study and the reported results reflect customer perceptions, but only to the extent of the sample surveyed, being Australian Gas Network's approved representative sample of customers. Any projection to the wider customer base is subject to the level of bias in the method of sample selection. No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, Australian Gas Networks and its customers consulted as part of the process.

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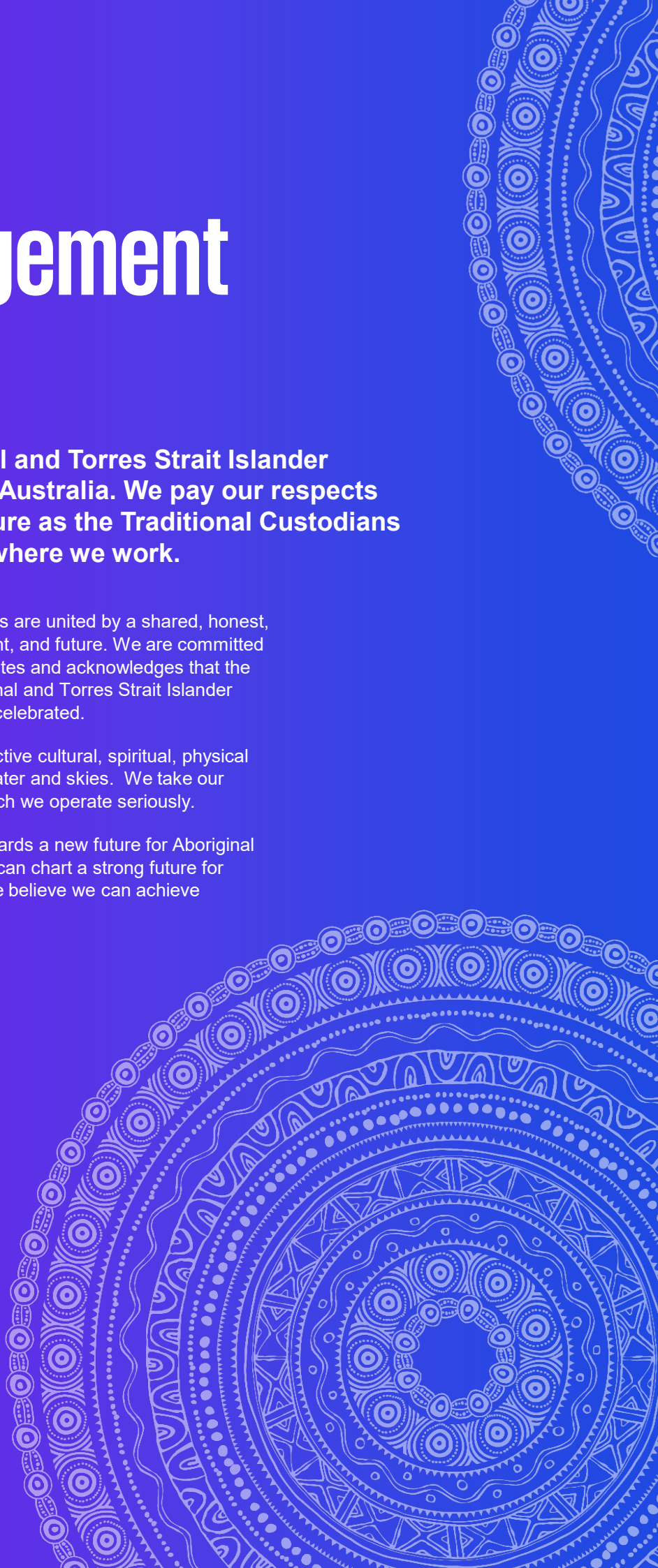
# Acknowledgement of Country

**KPMG acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia. We pay our respects to Elders past, present, and future as the Traditional Custodians of the land, water and skies of where we work.**

At KPMG, our future is one where all Australians are united by a shared, honest, and complete understanding of our past, present, and future. We are committed to making this future a reality. Our story celebrates and acknowledges that the cultures, histories, rights, and voices of Aboriginal and Torres Strait Islander People are heard, understood, respected, and celebrated.

Australia's First Peoples continue to hold distinctive cultural, spiritual, physical and economical relationships with their land, water and skies. We take our obligations to the land and environments in which we operate seriously.

We look forward to making our contribution towards a new future for Aboriginal and Torres Strait Islander peoples so that they can chart a strong future for themselves, their families and communities. We believe we can achieve much more together than we can apart.



# The role of customer engagement in AGN's business planning

**Australian Gas Networks (AGN) owns the gas distribution network in South Australia and is part of the national Australian Gas Infrastructure Group (AGIG).**

In South Australia, AGN owns and operates the distribution network that delivers gas to residential, commercial and industrial business customers in Adelaide (from Two Wells in the north to Aldinga in the south) and regional centres in the Upper North, Barossa, Riverland and Southeast of the state. Through AGN's 8,600km of distribution network, natural gas is delivered to more than 480,000 South Australian homes and businesses.

In pursuit of its commitment to developing an Access Arrangement proposal that delivers on the long-term interests of customers, and is underpinned by effective stakeholder engagement, AGN has designed and delivered an engagement program to support the development of AGN's plans for the South Australian natural gas distribution network (AGN SA) for the 2026-2031 period (the next Access Arrangement (AA) period). As part of this process, AGN developed a Draft Reference Service Proposal (RSP) which also details the proposed approach to the Form of Revenue Control and Tariff Structures.

To provide customers and stakeholders with an opportunity to provide feedback on the Draft RSP, AGN hosted a series of customer workshop sessions in June 2024. These customer workshops were delivered in a virtual format and included a range of residential and small business customers across Adelaide and regional areas of the AGN network.

## Purpose of this Report

This report presents the findings and insights from AGN's customer engagement workshops.

It provides a summary of key discussions during AGN's RSP customer workshops, including views expressed, questions raised, and responses AGN provided during the workshops in relation to topics contained within the RSP.

## Role of KPMG in customer workshop facilitation

KPMG was engaged by AGN as an independent facilitator of the customer engagement workshop program. KPMG was engaged to support the facilitation of AGN's RSP customer workshops by:

- Contributing to the development of RSP customer workshop presentation materials (AGN was responsible for workshop content)
- Facilitating RSP customer workshops to enable contribution from all members
- Documenting themes of customer discussions and feedback from the RSP customer workshops

KPMG's role did not include:

- Advocating for or acting on behalf of AGN, or assuming decision-making responsibility
- Providing advice on regulatory matters
- Developing or presenting workshop materials relating to AGN's RSP and Plans
- Expressing an opinion on or conducting an independent review of AGN's actions, including fulfilling the role of preparing an independent consumer report as defined in Section 3.4.2 Independent consumer support for the proposal of the AER's Better Resets Handbook



# AGN engaged with a range of residential and business customers from across South Australia

In addition to workshop facilitation, KPMG was responsible for supporting participant recruitment for the workshop program.

Ensuring representation across a broad cross-section of the customer base was an important part of the design of the RSP Customer Engagement Workshop program. Customer recruitment was designed to capture perspectives and feedback of customers from across five different geographic cohorts in South Australia. Recruitment services were provided by a third party and screening questions ensured that participants met agreed requirements, including but not limited to a current connection to gas at their residence or business premises, and distribution across key areas of the AGN network across South Australia. In total, five workshops were held, with 47 customers participating across Adelaide Metro and regional areas (*Figure 1*). All workshops were conducted in a virtual format via Microsoft Teams.

**Figure 1: Workshop schedule and number of participants**

Workshop	Details	Number of Attendees
1. Adelaide Metro Customers	Monday, 3 June 2024, 5:30pm	10
2. Port Pirie, Port Augusta and Whyalla Customers	Monday, 3 June 2024, 7:30pm	8
3. Barossa (and surrounds) Customers	Tuesday, 4 June 2024, 5:30pm	10
4. Adelaide Metro Customers	Tuesday, 4 June 2024, 7:30pm	10
5. Mount Gambier Customers	Wednesday, 5 June 2024, 5:30pm	9

Each workshop was developed to capture customer perspectives and feedback with regards to three key topics included within AGN's Reference Service Proposal:

**I. Price Setting (Tariff Structure)**

AGN SA currently has a declining block tariff structure and is proposing to maintain this structure for the next AA period, with actual tariff levels to be determined by the building block method.

**II. Price Setting (Revenue Cap vs Price Cap)**

The Form of Revenue Control establishes how the building block revenue determined by the AER will be recovered through tariffs during each AA period. AGN SA has historically operated under a weighted average price cap form of revenue control. Another common form of revenue control applied by regulators in Australia to electricity businesses is a revenue cap.

**III. Services (Abolishment Charges)**

AGN does not propose the abolishment service (where the gas service is permanently removed or capped) as a separate chargeable service and has not changed the suite of reference services proposed for offer in the next AA period.

*Source: Draft reference Service Proposal Form of Revenue Control and Tariff Structure for the South Australian Distribution Network 2026/27 – 2030/31, May 2024*

The workshop agenda is included in Appendix B.

# Customer workshops were designed to facilitate rich discussion and sustained engagement

**Each workshop was limited to ten participants to encourage detailed discussion and allow adequate time for participants to ask questions and ensure all could share their perspectives on each topic area.**

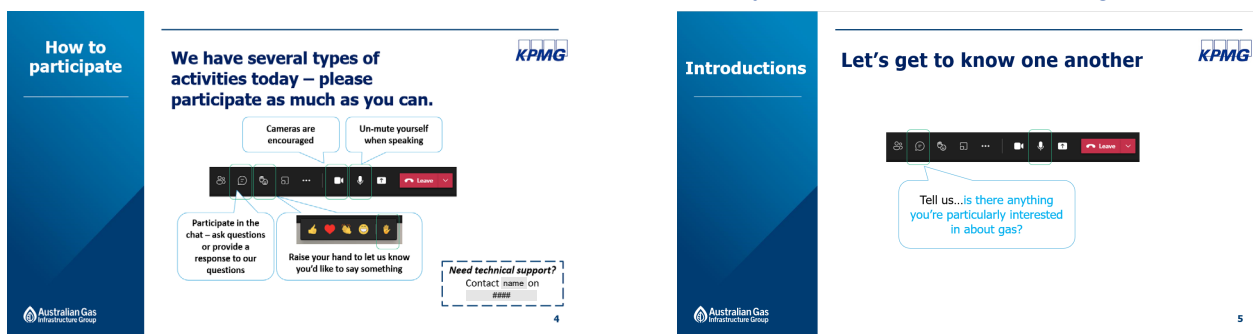
Overall, we engaged with 47 participants across five workshops of up to ten participants. This approach was designed to facilitate rich conversation and a high degree of participant engagement.

As workshops were delivered virtually, an explanation of Microsoft Teams' functions (camera, microphone, chat, hand raise) was provided during the introductory component of each workshop. It was confirmed all participants exhibited capability of these functions before progressing. Any technical difficulties that participants experienced were resolved through the technical support contact.

At the start of each workshop participants were invited to partake in an ice breaker activity designed to:

- Allow presenters, facilitators and participants to get to know each other
- Encourage participants to become comfortable with expressing their thoughts
- Ensure technical features, such as microphone and chat, were properly functioning as these would be needed to ensure a smooth voting process throughout each workshop

Additionally, the chat function was used in an ongoing manner with participants posing questions or comments related to the content being presented or in response to resources and links provided in the chat by AGN. The reaction feature also provided participants a way to react or respond throughout.



**A range of techniques were used in each workshop to elicit insight and encourage sustained engagement from all participants:**

- Facilitation of group questions and discussions - to demonstrate transparency, particularly on topics of key importance and sensitivity such as prices
- Making technical AGN staff available to answer questions - to explain and explore topics in further depth where participants requested it, building credibility and fostering trust
- Online live voting - to rapidly assess group sentiment and feedback and allowing a tailored discussion
- Highly visual displays - sharing of visual cues to complement explanation of content and make the workshop accessible and engaging



# There were four key findings derived from the RSP customer engagement workshops

**Customers expressed their views through workshop discussion and voting, generating four key findings**

**1**

## **Support for the existing declining block tariff structure**

Overall, customers were supportive of the existing approach to tariff structures, with 57% of the total customer cohort selecting the declining block tariff structure as their preferred approach. A further 26% of the customer cohort exhibited a preference for flat pricing.

**2**

## **Price cap as preferred approach to the form of revenue control**

When presented with the choice of revenue cap or price cap, the majority of participants (68%) chose the price cap as their preferred option. This was consistently observed as the preferred option across all customer engagement sessions.

**3**

## **Support for AGN's current approach to charging for abolishment services**

51.1% of customers preferred that AGN retain its current approach to managing the cost of abolishment services, which is to distribute the majority of costs among its customer base. 23.4% of participants supported a partial direct charge (\$500) and 19.1% supported a full charge (\$1,000). 6.4% of customers selected multiple or no preference. Customers also gave consideration to how abolishment charges may impact network safety, by reducing incentives for abolishments.

**4**

## **Price stability, fairness and predictability are important to customers**

Customer commentary across workshops indicated that price stability, fairness, and predictability are key drivers in customer choice when it comes to views on AGN's pricing structure (tariffs and form of revenue control).



# Tariff structures: AGN sought to understand which tariff structure customers preferred

The first section of each workshop sought to explore customer perspectives with regards to the proposed tariff structures included within AGN's Reference Service Proposal.

AGN SA currently has a declining block tariff structure and is proposing to maintain this structure for the next AA, with actual tariff levels to be determined by the building block method (*AGN Draft RSP, May 2024*).

Customers were introduced to three tariff pricing structures that are under consideration within AGN's RSP for consideration and discussion.

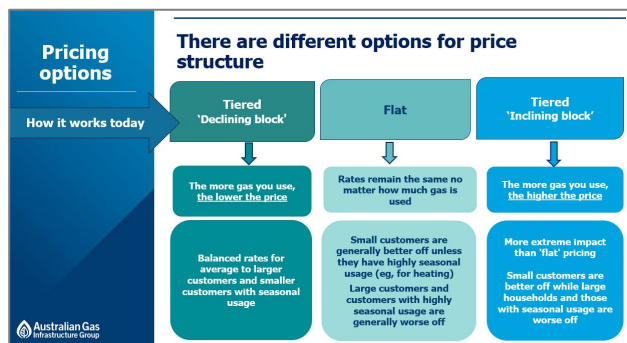
AGN introduced participants to how pricing is currently determined, provided an explanation of the declining block structure and how this is reflected in the current usage charges for both residential and commercial customers. This was accompanied by examples to demonstrate how varying levels of usage impact charges.

## Declining, flat and inclining pricing structures

Following an explanation of current pricing structure, AGN introduced two alternative pricing structures: the flat pricing structure and the tiered inclining block pricing structure (*Figure 2*).

## The impact of pricing structures on the distribution component of gas bills

Using varying scenarios for consumption, all three pricing structures and their expected financial impacts on a residential bill were presented to customers for evaluation and discussion (*Figure 3*).



**Figure 2: Three pricing structures presented to participants**

**Pricing impacts**

What would this mean for the distribution part of your gas bill every year?

Residential Estimated **Annual** Bill Impacts:

	Declining (current)	Flat		Inclining	
Annual Consumption	Estimated charge	Estimated charge	Bill impact	Estimated charge	Bill impact
2GJ	\$178	\$158	↓\$20	\$157	↓\$21
15GJ	\$493	\$430	↓\$63	\$428	↓\$65
45GJ	\$556	\$1,056	↑\$500	\$1,163	↑\$607
100GJ	\$757	\$2,204	↑\$1,447	\$2,494	↑\$1,737

Average 16 GJ

**Figure 3: Example financial impact of three pricing structures presented to participants**

## We asked customers to select their preferred tariff pricing structure.

Following the explanation of the three pricing structures and their estimated impacts, participants were asked to vote for their preferred pricing option (*Figure 2*) and share their personal views. Options included:

- I. I am happy with the current approach – The more you use, the lower the price with smooth bills throughout the year
- II. I would like you to look at flat prices – Regardless of the amount you use, price doesn't change
- III. I would like you to look at inclining prices – The more you use, the higher the price
- IV. I don't know

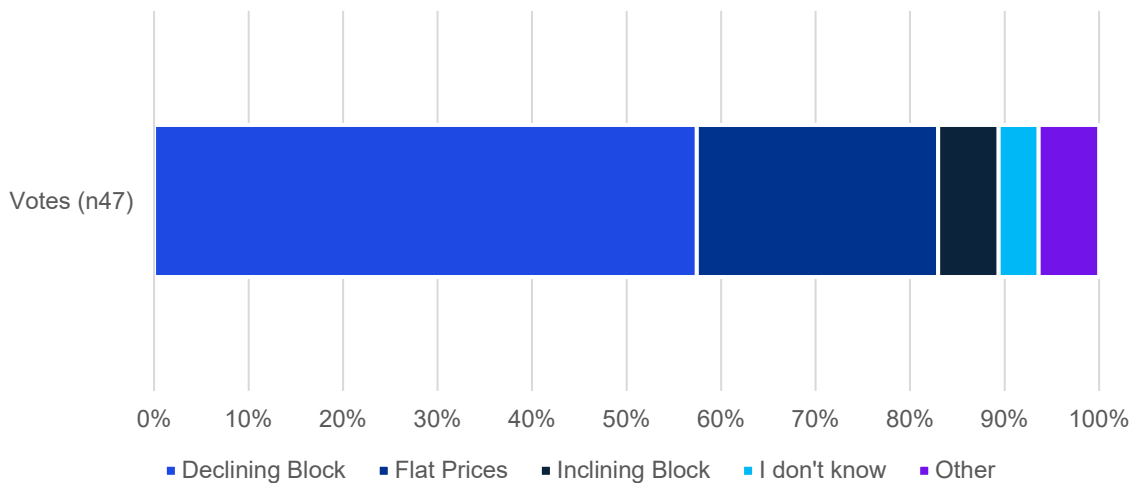
# Tariff structures: A detailed review of customer preferences with regards to tariff structures

We examined the results of each customer vote and the contributing factors/influences customers cited when explaining their preferred tariff structure.

Overall, the majority of customers indicated that they were happy with the current declining block pricing structure.

A total of 27 participants (57%) across the full customer cohort chose option one: *I am happy with the current approach – The more you use, the lower the price with smooth bills throughout the year.* A total of 12 participants (26%) selected option two: *I would like you to look at flat prices – Regardless of the amount you use, price doesn't change.* Total votes across all 47 participants can be observed in Figure 4.

**Figure 4: Tariff structure preferences overall**



\*Where a customer selected multiple options or did not select a specific option, this has been included in Other. For more detail see Appendix D.

Customers who selected the current approach (declining block pricing structure) often cited size of household and higher usage as a key consideration informing their preference.

“Declining structure would be significant for us with a large house and a family of 5.”

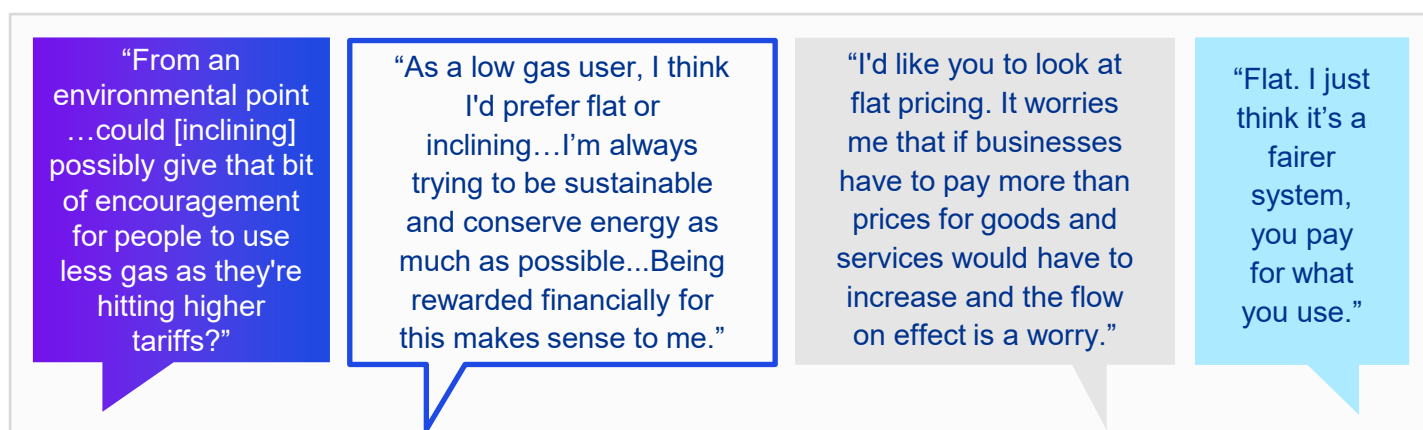
“As a small usage customer, single appliance only used in Winter, I still feel that declining block structure is better for the future of gas as it gives people an incentive to use a higher proportion of gas as opposed to electricity.”

“Bigger families better off on the tiered.”

# Tariff structures: A detailed review of customer preferences with regards to tariff structures (cont.)

**~32% of customers selected an alternative pricing structure (flat or inclining) with flat pricing observed as the second preference across the overall cohort of customers.**

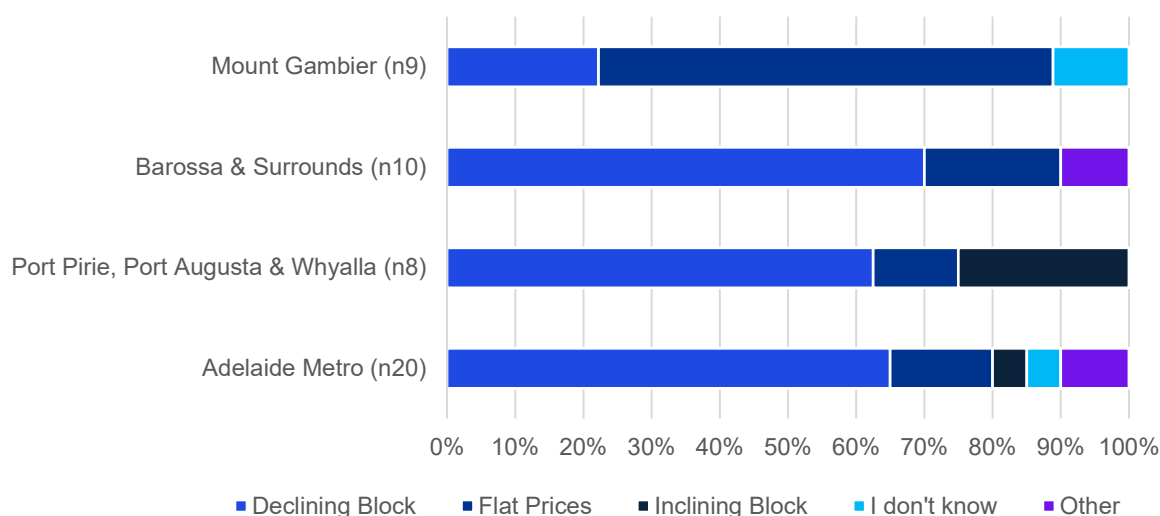
Customers who selected an alternative option such as flat or inclining structure cited lower gas usage, and the perceived potential for rewarding or incentivising lower gas usage as considerations and reasons for their choice. Additionally, there were multiple instances where customers expressed that flat pricing was perceived as a fairer approach than the declining or inclining structures.



**A different sentiment was observed in the region of Mount Gambier, where a flat pricing structure was the preferred choice.**

Although the declining block pricing structure was observed as the preferred choice across the majority of South Australian geographical regions, we observed 6 out of a total of 9 participants in Mount Gambier workshop selected option two: *I would like you to look at flat prices – Regardless of the amount you use, price doesn't change (Figure 5).*

**Figure 5: Tariff structure preferences by geography**



\*Where a customer selected multiple options or did not select a specific option, this has been included in Other. For more detail see Appendix D.



# Tariff structures: A detailed review of customer preferences with regards to tariff structures (cont.)

**There were some variances observed across South Australian residential and commercial customers.**

Where commercial customers offered commentary on their selected tariff structure, the inclining block structure was often noted as the least-preferred option in commercial settings.

However, it was also noted in one instance that while a business owner would not want to see the inclining block applied to commercial usage charges, they would not oppose the inclining block being applied in a residential setting.

“As a bakery, option one [declining block] is the most favourable obviously the more you use the lower the price.”



**I certainly wouldn't want to see the inclining option going into the commercial space that's for sure but the residential is fine because we're fairly low users at home.”**

“It would not make sense for business to charge more the more used as the bigger suppliers would look elsewhere so obviously that won't happen. The flat price would be fairer.”

# Form of revenue control: A detailed review of customer preferences with regards to pricing

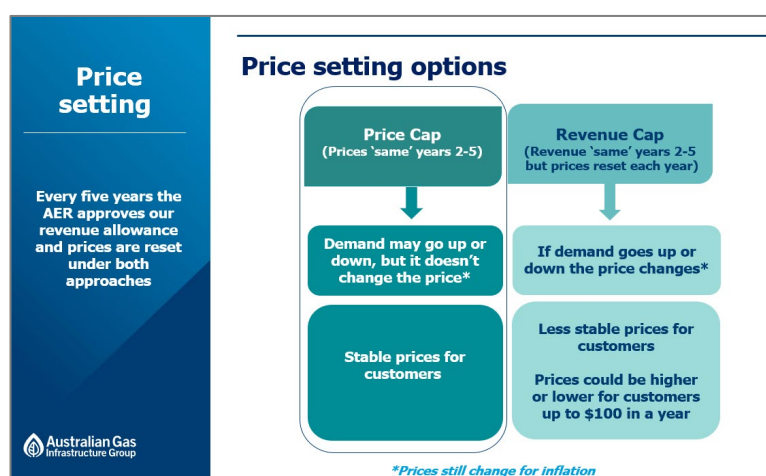
The second section of each workshop sought to explore customer perspectives with regards to the proposed approaches to revenue control included within AGN's Reference Service Proposal.

The form of revenue control establishes how the building block revenue determined by the AER will be recovered through tariffs during each AA period. AGN SA has historically operated under a weighted average price cap form of revenue control. Another common form of revenue control applied by regulators in Australia to electricity businesses is a revenue cap. (AGN Draft RSP, May 2024).

Customers were introduced to the form of revenue control, with two options presented (revenue cap and price cap). These options are under consideration within AGN's RSP for consideration and discussion.

Customers were invited to share their views on price stability. Customers indicated that price stability is useful for managing budgets, particularly when experiencing financial pressure.

AGN introduced participants to the current form of revenue control (price cap) and provided an explanation of both the price cap and revenue cap approaches and the impact of demand on each price type.



We asked customers to select their preferred price setting option: price cap or revenue cap.

Following the explanation of the two price setting structures and the impact of demand on each, customers were asked to select one of the following options and share their personal views:

- I. I prefer stable prices, that are reset every 5 years.
- II. I prefer the chance of lower or higher prices some years, and prices reset every year for demand changes. This could be up to \$100 higher or lower every year.
- III. A combination of both options 1 & 2.

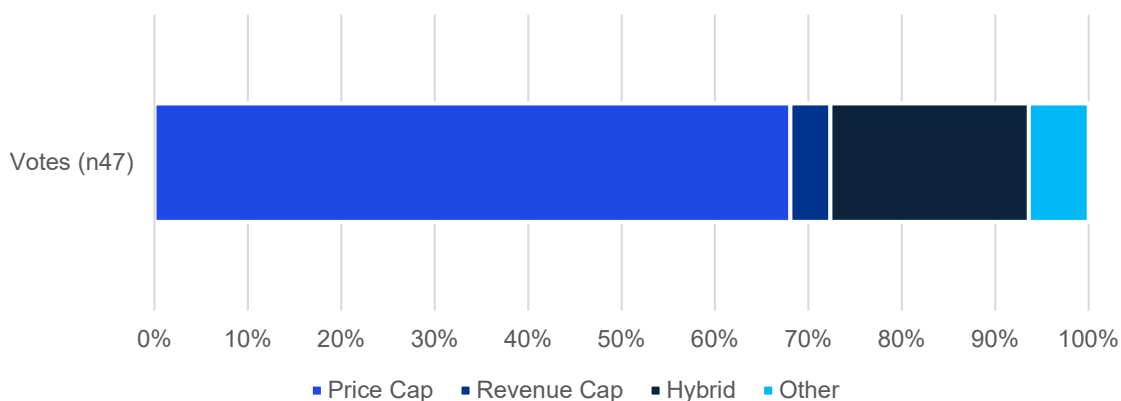
# Form of revenue control: A detailed review of customer preferences with regards to pricing (cont.)

We examined the results of each customer vote and the contributing factors/influences customers cited when explaining their preferred form of revenue control.

Overall, the majority of customers indicated that they preferred the price cap approach over the alternate revenue cap approach to price setting.

A total of 32 participants (68%) chose option one: *I prefer stable prices, that are reset every 5 years*. A total of 10 additional participants (21%) selected option three: *A combination of both options 1 & 2*. Total votes across all 47 participants can be observed in *Figure 6*.

**Figure 6: Price setting preferences overall**



\*Where a customer selected multiple options or did not select a specific option, this has been included in Other. For more detail see Appendix D.

Customers who selected price cap as the preferred approach often cited price stability as a key factor influencing their selection. Across all sessions, cost of living pressure was cited as an influencing factor.

"I would prefer the price cap option and the stability of knowing what I am paying. I wouldn't want to risk it jumping up one year."

"I am a low-income earner and like stability, cost of living is rising in every way and I would like to be most prepared. As long as prices are stable for 1-3 years, and I can predict annual bill spending."

"Stable prices are very important as income is not increasing but commodity prices are going up."

"Cost of living is already hard enough, having to worry about expensive gas prices would be hard on families."

"I would prefer the price cap option and the stability of knowing what I am paying. I wouldn't want to risk it jumping up one year."

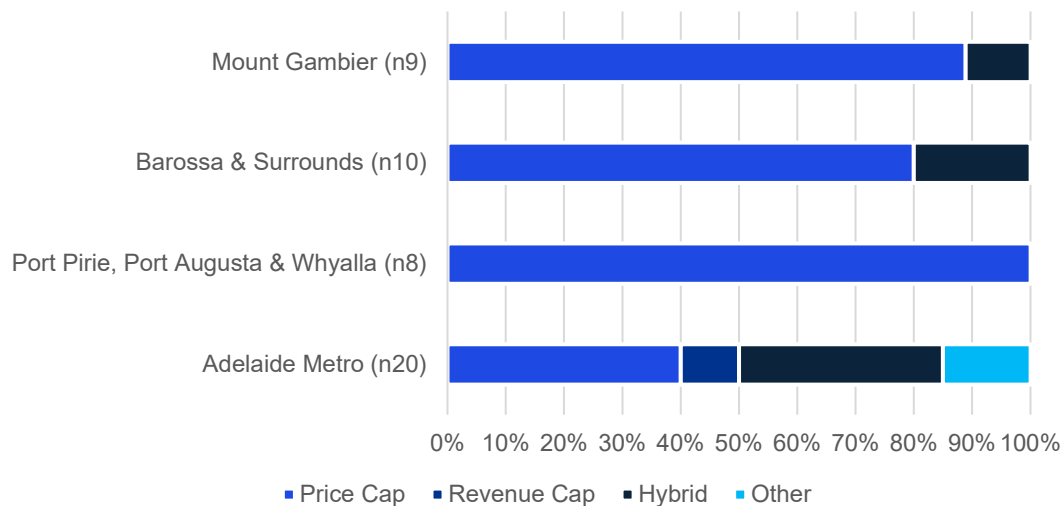


# Form of revenue control: A detailed review of customer preferences with regards to pricing (cont.)

While price cap was the preferred approach selected overall, South Australian regional locations exhibited a stronger preference than metro areas, where a hybrid approach also featured as a strong secondary preference.

While a mix of preferences were exhibited across Adelaide Metro, Barossa and Surrounds and Mount Gambier, a different sentiment was observed in the region of Port Pirie, Port Augusta and Whyalla, where a price cap approach was unanimously selected. Adelaide Metro customers, while preferring a price cap approach overall, displayed more mixed views, with some preferring a hybrid approach (*Figure 7*).

**Figure 7: Price setting preferences by geography**



\*Where a customer selected multiple options or did not select a specific option, this has been included in Other. For more detail see Appendix D.

Customers who selected 'hybrid' as their preferred approach cited mixed reasons for their selection, with some customers noting smaller price rises and predictability as important factors.

"Option 3 - [Price cap] may have a bigger negative surprise."

"Option 3 - The price cap makes it easier to budget but revenue cap may be more attractive for those who have a little more savings in case the cost goes up."

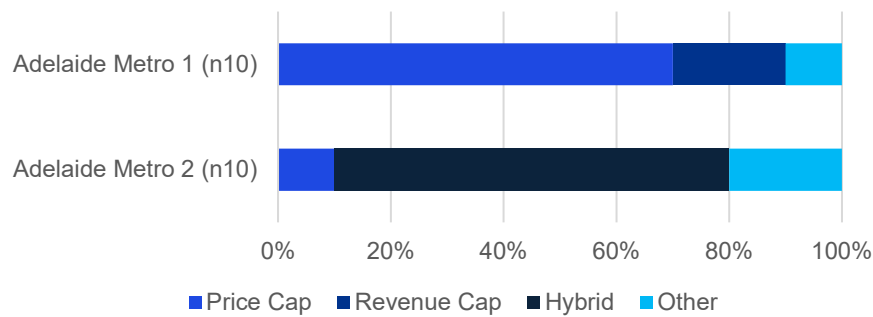
"Option 3 – a smaller price rise."

**Further analysis of the Adelaide Metro results indicates a difference in preference between the two Adelaide Metro workshops.**

40% of Adelaide Metro participants selected 'price cap' and a further 35% selected the hybrid option as their preferred approach to revenue control. A strong preference for the price cap approach was observed within the first Adelaide Metro workshop, while a hybrid approach was observed to be the preferred form of revenue control within the second Adelaide Metro workshop.

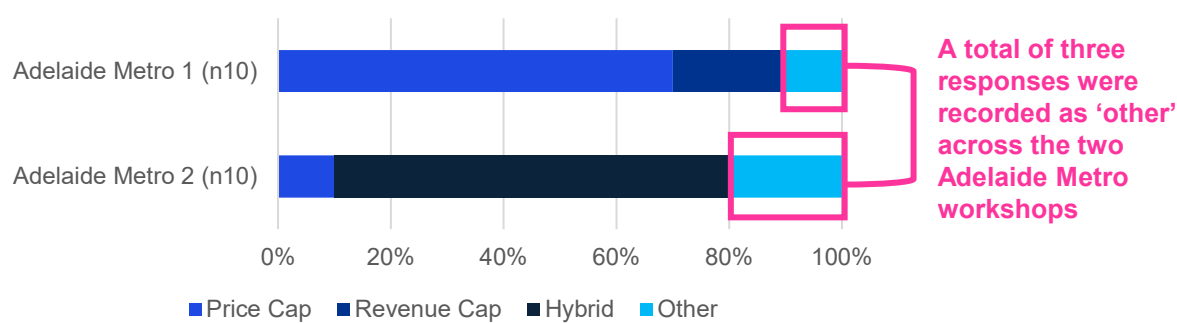
# Form of revenue control: A detailed review of customer preferences with regards to pricing (cont.)

Figure 8: Price setting preferences across Adelaide workshops one and two



Further analysis confirmed the options selected within the ‘other’ preference were consistently split between price cap and hybrid approaches.

Figure 9: Three responses were recorded as ‘other’ across the Adelaide Metro workshop revenue control vote



A total of three participants noted that they would prefer either option one (price cap) or three (hybrid) as recorded in Figure 10 below.

Figure 10: Detailed view of participant responses where participants selected multiple options

Workshop	Response
1. Adelaide Metro Customers	Response 1: “Option 1 or 3”
4. Adelaide Metro Customers	Response 1: “Option 1 or 3”
	Response 2: “Option 1 or 3”

Further analysis was conducted to understand if there a was any correlation between customer type (residential/commercial) and the selection of ‘hybrid’ as a preferred approach to revenue control.

- Commercial customers contributed to 50% of the total votes for a hybrid approach.
- Of 11 participants that identified as commercial customers (out of a participant cohort of 47), less than half (45%) selected ‘hybrid’ as their preferred form of revenue control, however within Adelaide Metro workshop two, all three participants that identified as commercial customers selected ‘hybrid’ as their preferred approach.

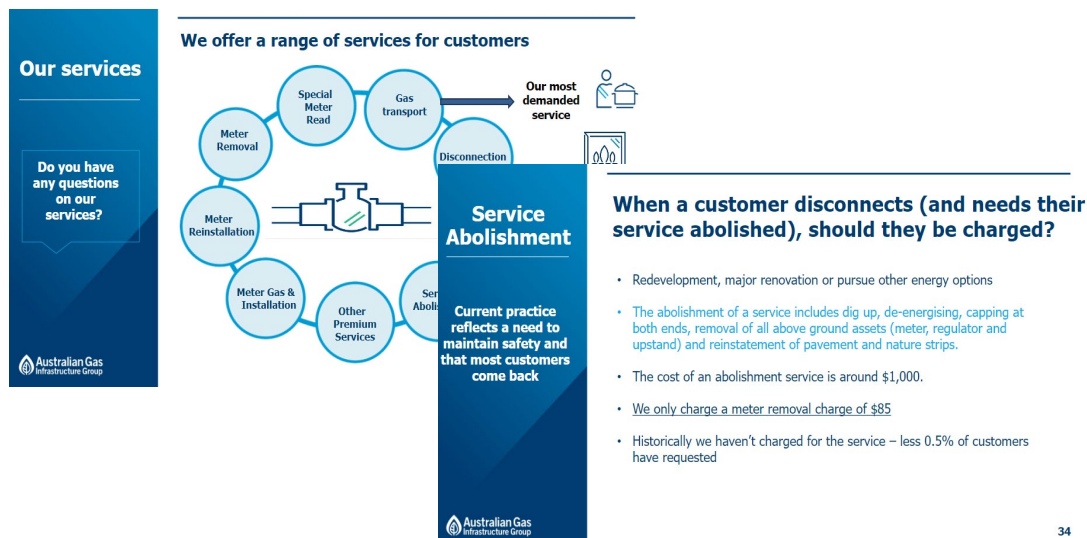
# Abolishment charges: A detailed review of customer preferences

The third section of each workshop sought to explore customer perspectives with regards to the service abolishment charges included within AGN's Reference Service Proposal.

AGN does not propose the abolishment service (where the gas service is permanently removed or capped) as a separate chargeable service and has not changed the suite of reference services proposed for offer in the next AA period. (AGN Draft RSP, May 2024).

## AGN explained its approach to abolishment charges.

AGN currently offers service abolishment at minimal charge to the end customer. While the total cost to AGN is approximately \$1,000, the end customer is charged \$85 for the meter removal component. Remaining costs are recovered across the customer base, at an approximate cost of \$5 per customer per year. AGN sought to understand customer views on whether to retain this approach or introduce a direct charge for the end customer.



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## We asked customers to select their preferred option with regards to service abolishment.

Following an explanation of the AGN services offered and an explanation of the instances in which a service abolishment charge would apply, we asked customers whether AGN should charge the customer directly for service abolishment.

Customers could select one of the following options:

- I. No. I am happy with the current approach.
- II. Yes. I'd prefer a separate charge – The customer should pay the cost of around \$1000.
- III. Yes. I'd prefer a separate charge – The customer pays half at around \$500.



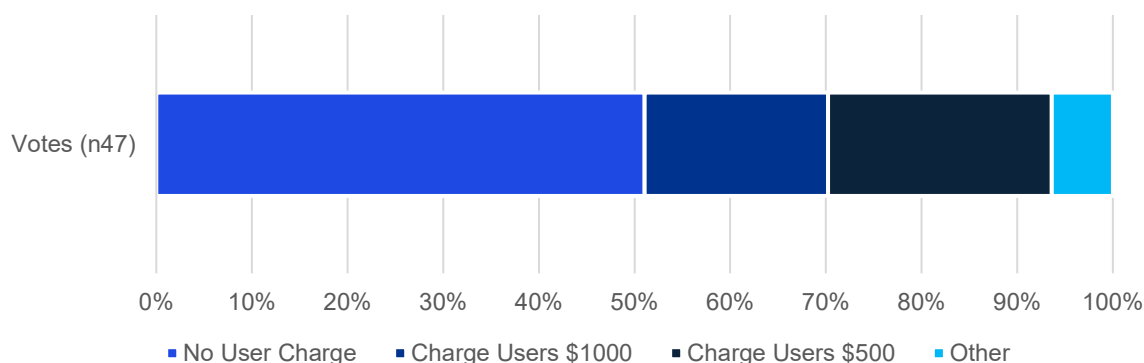
# Abolishment charges: A detailed review of customer preferences

We examined the results of each customer vote and the contributing factors/influences customers cited when explaining their preferred approach to service abolishment charges.

Overall, the majority of customers exhibited a preference for the current approach.

A total of 24 participants (51.1%) chose option 1: *No. I am happy with the current approach.* A total of 11 additional participants (23.4%) selected option three: *Yes. I'd prefer a separate charge – The customer pays half at around \$500,* and 9 participants (19.1%) selected option two: *Yes. I'd prefer a separate charge – The customer should pay the cost at around \$1000.* A sizeable minority (42.5%) of customers expressed a preference for AGN to pass on costs directly to the customer, either in part or full. Total votes across all 47 participants can be observed in *Figure 11.*

**Figure 11: Abolishment charge preferences overall**



\*Where a customer selected multiple options or did not select a specific option, this has been included in Other. For more detail see Appendix D.

**Customer commentary indicates customers view fairness and safety to be important considerations with regards to service abolishment charges.**

Customers who supported retaining AGN's current approach to absorbing abolishment charges largely indicated that they do so due to safety concerns and consider introducing a full or partial charge may disincentivise customers from notifying AGN about the need for an abolishment. Customers also considered the issue a matter of fairness, with some expressing the view that the fairest approach would be for customers requiring an abolishment to pay the cost (in full or part).

"[customers] should be charged, otherwise cutting corners, negligence on their behalf otherwise, should be responsible."

"I agree the person 'abolishing' should pay but highest concern is safety - largely people would probably not communicate around this as it is a lot of money! Agree with [name], would rather have safety and pay a little more."

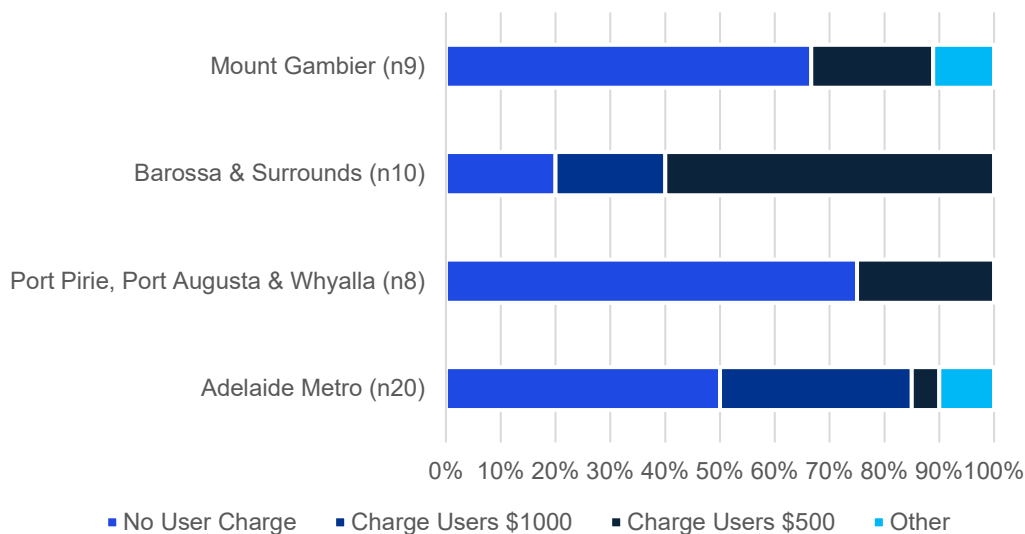
"I do agree there are safety concerns with people trying to avoid the cost. But it is generally factored into a budget for renovations etc."

# Abolishment charges: A detailed review of customer preferences

## There were differing views across South Australian geographical regions.

We observed a notable variation in the pattern of voting within the Barossa & surrounds geography, with 60% of these participants preferring a partial user charge for abolishment services (*Figure 12*). Commentary from discussion reflected that customers considered this a matter of fairness and equity.

**Figure 12: Abolishment charge preferences by geography**



\*Where a customer selected multiple options or did not select a specific option, this has been included in Other. For more detail see Appendix D.

## No distinct differences were observed across the responses from South Australian residential and commercial customers.

Across customer engagement workshops there was no correlation between customer type (residential or commercial) and the preferred approach to service abolishment observed.

# Additional topics discussed

## Customers were invited to ask questions and share their views

AGN offered customers the opportunity to ask questions, share views and engage in discussion throughout all customer workshops. While not a focus for this report, a number of additional topics were raised and discussed.

Topics raised by customers include the below. Where views are represented, it should be noted that these are not necessarily representative across all workshops, since discussion varied according to each group's interests.

- Customers were interested in the future role of gas in the energy mix of South Australia – some customers asked about the role gas would play in SA's future energy mix, with some querying whether a Victorian-style ban on new connections would be imposed.
- Customers were interested in the price of gas – customers queried how prices were set and sought to understand the impact of wholesale gas prices on the price they paid through their retail bill.
- Customers were interested in renewable gas – customers sought to understand what renewable gas is, the role it may play in SA's future energy mix, and the costs associated with preparing the gas network. Customers also sought to understand the benefits of renewable gas and its impact on bills.
- The role of the retailer – customers sought to clarify their understanding of the gas supply chain, including the role of the retailer. Some customers noted that limited retailers are available in regional areas.

## Workshop feedback was positive

Customers were invited to share feedback about the workshop at the conclusion of each session. Feedback was generally positive, with customers commenting on AGN's willingness to be transparent, that the discussion was interesting, and that the format of engagement was appropriate. While some participants found the platform (MS Teams) challenging, others did not.

"I would like to thank AGN for being forthcoming with their numbers."

"Good session. Kept on time. Valuable insight."

"Was good, possibly leave the figures on the screen when making the costing choice. Thanks!"

"Thank you everyone, that was a good format!"

"I think it was well set up, clear and great presenters."

"I found using Microsoft Teams quite complicated. Other than that, an interesting experience."

"I usually have trouble with zoom calls so I am glad it was on [Microsoft] teams!"



# Appendices

- A. Participant recruitment and attendance**
- B. Workshop agenda**
- C. Consultation questions**
- D. 'Other' responses**

# A: Participant recruitment and attendance

## Customer Recruitment

Participants were recruited through a third-party panel. They had nominated to participate in market research and were provided a financial incentive for attending. In selecting participants, consideration was given to ensuring a diverse cohort across age, gender, financial circumstance, home ownership status, and status as a residential or small business gas customer.

Of the total number of participants who attended, 36 (77%) were residential customers and 11 (23%) were small business (commercial) customers. Small business customers were those whose business relied upon the use of gas. They may or may not also have had a gas connection at home.

Workshop	Details	Number of Attendees
1. Adelaide Metro Customers	Monday, 3 June 2024, 5:30pm	10
2. Port Pirie, Port Augusta and Whyalla Customers	Monday, 3 June 2024, 7:30pm	8
3. Barossa (and Surrounds) Customers	Tuesday, 4 June 2024, 5:30pm	10
4. Adelaide Metro Customers	Tuesday, 4 June 2024, 7:30pm	10
5. Mount Gambier Customers	Wednesday, 5 June 2024, 5:30pm	9

## Presenter and Facilitator Attendance

Non-participant attendees varied across workshops but typically included one KPMG facilitator, one KPMG facilitation support, at least two AGN presenters and several AGN representatives to monitor and answer customer questions.

Name	Role at AGN	Workshop				
		1	2	3	4	5
Australian Gas Networks Representatives						
Peter Bucki	Head of Regulation	✓	✓	✓	✓	✓
Kristen Pellew	Head of Customer and Community	✓			✓	✓
Roxanne Smith	Executive General Manager, Corporate & Regulation	✓				
Nicole Haddock	Senior Regulatory Advisor	✓	✓	✓	✓	✓
Aaron Glossop	Stakeholder Engagement Manager	✓	✓	✓	✓	✓
Jenny Thai	Manager, Customer and Community	✓	✓	✓		
Laura Agar	Customer Care Manager	✓		✓	✓	✓
Emily Brown	Customer Operations Lead		✓			
External Facilitation Team						
Grace Smith	Facilitator, KPMG	✓	✓	✓	✓	✓
Maya Dawda	Facilitation Support, KPMG	✓	✓	✓	✓	✓



# B. Workshop agenda

## RSP Customer Workshops Agenda

The workshops were designed to incorporate a balance of explanation and interaction. This approach allowed participants to grasp a thorough understanding of the content to subsequently raise any questions and express their views.

The below agenda was used for each workshop, with some variation in timing to accommodate areas of interest and discussion with customers.

	Agenda Item	Duration
1	Welcome and introductions	5 minutes
2	About AGN	10 minutes
3	Price Setting (Tariff Structure)	25 minutes
4	Price Setting (Revenue Cap vs Price Cap)	15 minutes
5	Services (Abolishment Charges)	20 minutes
6	Next steps and close	5 minutes

# C. Consultation questions

## RSP Customer Workshop Consultation Questions

The following consultation questions were posed to customers:

### Price Setting (Tariff Structure):

- Do you have any questions on the way we currently price?
- Do you have any questions or need more information?
- Which option do you prefer?
  - I. I am happy with the current approach – The more you use, the lower the price with smooth bills throughout the year.
  - II. I would like you to look at flat prices – Regardless of the amount you use, price doesn't change.
  - III. I would like you to look at inclining prices – The more you use, the higher the price.
  - IV. I don't know.

### Price Setting – Form of Revenue Control (Revenue Cap vs Price Cap):

- How important is it to you that prices are stable? Why?
- Do you have any questions or need more information?
- Which option do you prefer?
  - I. I prefer stable prices, that are reset every 5 years.
  - II. I prefer the chance of lower or higher prices some years, and prices reset every year for demand changes. This could be up to \$100 higher or lower every year.
  - III. A combination of both options 1 & 2.

### Services (Abolishment Charges):

- Do you have any questions or need more information?
- Should we charge for service abolishments?
  - I. No. I am happy with the current approach.
  - II. Yes. I'd prefer a separate charge – The customer should pay the cost of around \$1000.
  - III. Yes. I'd prefer a separate charge – The customer pays half at around \$500.



# D. 'Other' responses

In some instances, customers selected multiple options or did not select a specific option. These responses have been included in 'Other' and are referenced below.

## Price Setting (Tariff Structure):

Workshop	Response
1. Adelaide Metro Customers	Response 1: "Option 2 or 3 or 4"
	Response 2: "Option 2 or 3"
3. Barossa (and Surrounds) Customers	Response 1: "Option 3 penalises those who have no alternative"

## Price Setting – Form of Revenue Control (Revenue Cap vs Price Cap):

Workshop	Response
1. Adelaide Metro Customers	Response 1: "Option 1 or 3"
4. Adelaide Metro Customers	Response 1: "Option 1 or 3"
	Response 2: "Option 1 or 3"

## Services (Abolishment Charges):

Workshop	Response
4. Adelaide Metro Customers	Response 1: "Option 2 or 3"
	Response 2: "If the service is to be permanently [sic] abolished with no future connections on the new property I would charge, however if the new property will have a gas connection I would not charge to abolish"
5. Mount Gambier Customers	Response 1: "I don't have a preference"



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