

# Final Plan Attachment 5.6

Australian Gas Networks Customer Workshop  
Presentation

March 2016

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# Stakeholder Engagement Workshop

21 March 2016  
Shepparton



# Forms

## Information consent



Thank you for your participation in the Australian Gas Networks (AGN) stakeholder engagement workshops.

AGN has engaged Deloitte to help gather your feedback and insights which will be collated into a report by Deloitte, which will be published on the AGN stakeholders website (stakeholders.agn.com.au). Excerpts of this report as well as the information you provide in this workshop may be used in business planning and other reports or documents published by AGN, including our regulatory business proposal ('Access Arrangement proposal') to the Australian Energy Regulator. These reports and documents may also be published on other websites.

Your voice, and that of the people you represent (your town or the future development of the AGN distribution network, if you are a representative), will be used to inform the future development of the AGN distribution network. If you have any questions, please contact the AGN Regulation team at any time.

Please sign and complete the details below if you consent to the use of your information in the AGN Stakeholder Engagement workshops for the purposes described above. Your consent after AGN has published a report which includes information from the published report.

Please note if your name is used in any written form in conjunction with a range of stakeholders (eg an industry or community group) that your name will be used in any publicly available information.

First and last name	
Signed	
Address	
Phone number	
Email	

**Note:** AGN collects your address and contact details to confirm your consent further in this process. Those details will not be published or disclosed without your consent.

## Publicity consent



I consent to Australian Gas Networks (AGN) making and using photographs, videos or voice recordings of me for business purposes, including promotional material, advertising, newsletters and reports.

In giving this consent I acknowledge and accept that:

- The material may be used in any media, including the internet
- If the material is published on the internet, AGN may have no control over its subsequent use or disclosure by others.
- I will not necessarily be given an opportunity to see the material
- AGN will own the copyright and other intellectual property in the material
- I am not entitled to any form of payment from AGN or any other person
- This consent will continue until I withdraw it in writing to the AGN Regulation team. If I withdraw my consent, my consent will continue until I withdraw it in writing to the AGN Regulation team.
- I am over the age of 18
- I am not in any way obliged to give this consent.

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Name \_\_\_\_\_

## Thinking about your last quarterly gas bill...



Approximately how much was your gas bill for the last quarter?	\$	
<b>At what price would have considered it to be:</b>		
Too cheap?	\$	
Cheap, but not too cheap?	\$	
Expensive	\$	
Expensive, but not too expensive?	\$	

What comes to mind when you think of the gas industry?





## Topics for discussion today

**Customer experience**

**Network safety  
and reliability**

**Access and  
affordability**

**Environmental  
commitments and  
reporting**

# Agenda

Introduction to the workshop	6.30	20 minutes
About Australian Gas Networks	6.50	15 minutes
Discussion: customer experience	7.05	35 minutes
<b>Break</b>	<b>7.40</b>	<b>5 minutes</b>
Discussion: network safety and reliability	7:45	60 minutes
<b>Break</b>	<b>8.45</b>	<b>10 minutes</b>
Discussion: access and affordability	8:55	10 minutes
Discussion: environmental commitments and reporting	9:05	5 minutes
Worksheet: investment priorities	9.10	10 minutes
Wrap up and close	9.20	10 minutes

# Why are we here?

- To get your feedback on your experiences and interactions with us
- To get your thoughts about future investments we are considering
- To understand your needs and priorities as current or potential gas customers
- Report available June 2016



The screenshot shows the 'Have Your Say' page on the Australian Gas Networks website. The page features a blue header with the company logo and navigation links: HOME, ENGAGING WITH STAKEHOLDERS, HAVE YOUR SAY, and CONTACT US. A search bar is located in the top right corner. Below the header is a large image of a young child with curly hair, looking down thoughtfully. The main content area is titled 'Have Your Say' and includes the tagline 'Tell us what you think, we listen.' A breadcrumb trail shows 'Home > Have your say'. A sidebar on the left contains a 'HAVE YOUR SAY' section with links to 'YOUR SAY', 'ABOUT OUR SURVEY', 'ONLINE SURVEY', and 'INSIGHTS & OPINIONS'. The main text area is titled 'Your Views are Important' and explains the company's commitment to stakeholder feedback. It includes a section 'We Want you to be able to Communicate with Us' with a list of communication channels: sending feedback, participating in online surveys, and attending stakeholder workshops.

**Australian Gas Networks**

HOME ENGAGING WITH STAKEHOLDERS HAVE YOUR SAY CONTACT US

## Have Your Say

Tell us what you think, we listen.

Home > Have your say

### YOUR VIEWS ARE IMPORTANT

We recognise that stakeholders are key to the successful operation of our business. We want to make sure that we are conducting our self in a manner that is consistent with your long-term interests. To achieve this we need to hear and understand what you have to say.

### We Want you to be able to Communicate with Us

We want you to be able to communicate with us at your convenience. You can do this through numerous channels:

- You can send us feedback or ask us questions [here](#).
- You can participate in periodically run online surveys (note there are currently no online surveys open).
- You can attend a stakeholder workshop in your region. We do not currently have any open spots in stakeholder workshops. To register your interest in future workshops please [contact us](#).



## Today's presenters



**Ben Wilson**  
**Chief Executive Officer**  
**Australian Gas Networks**



**Craig de Laine**  
**General Manager -**  
**Regulation**  
**Australian Gas Networks**

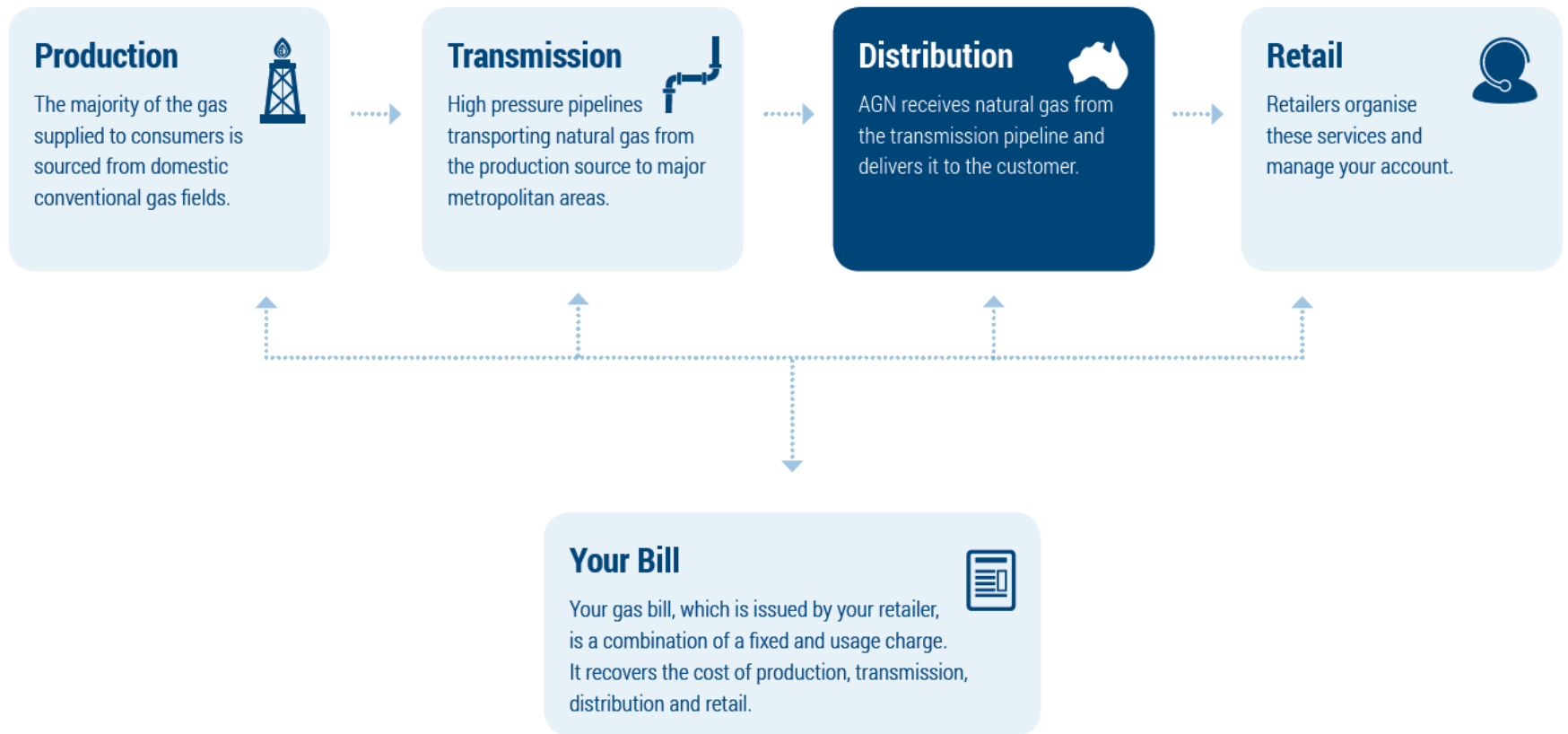


**Andrew Foley**  
**General Manager - Victorian**  
**Networks**  
**APA Group**

# About Australian Gas Networks

- Introduction to AGN
- Future price path

# What is our role as a leader in gas distribution in Australia?



# Our vision

Our vision is to be the leading natural gas distributor in Australia...

**Delivering for  
customers**



Public  
Safety

Reliability

Customer  
Service

**A good  
employer**



Safety

Employee  
Engagement

Skills  
Development

**Sustainably  
cost efficient**

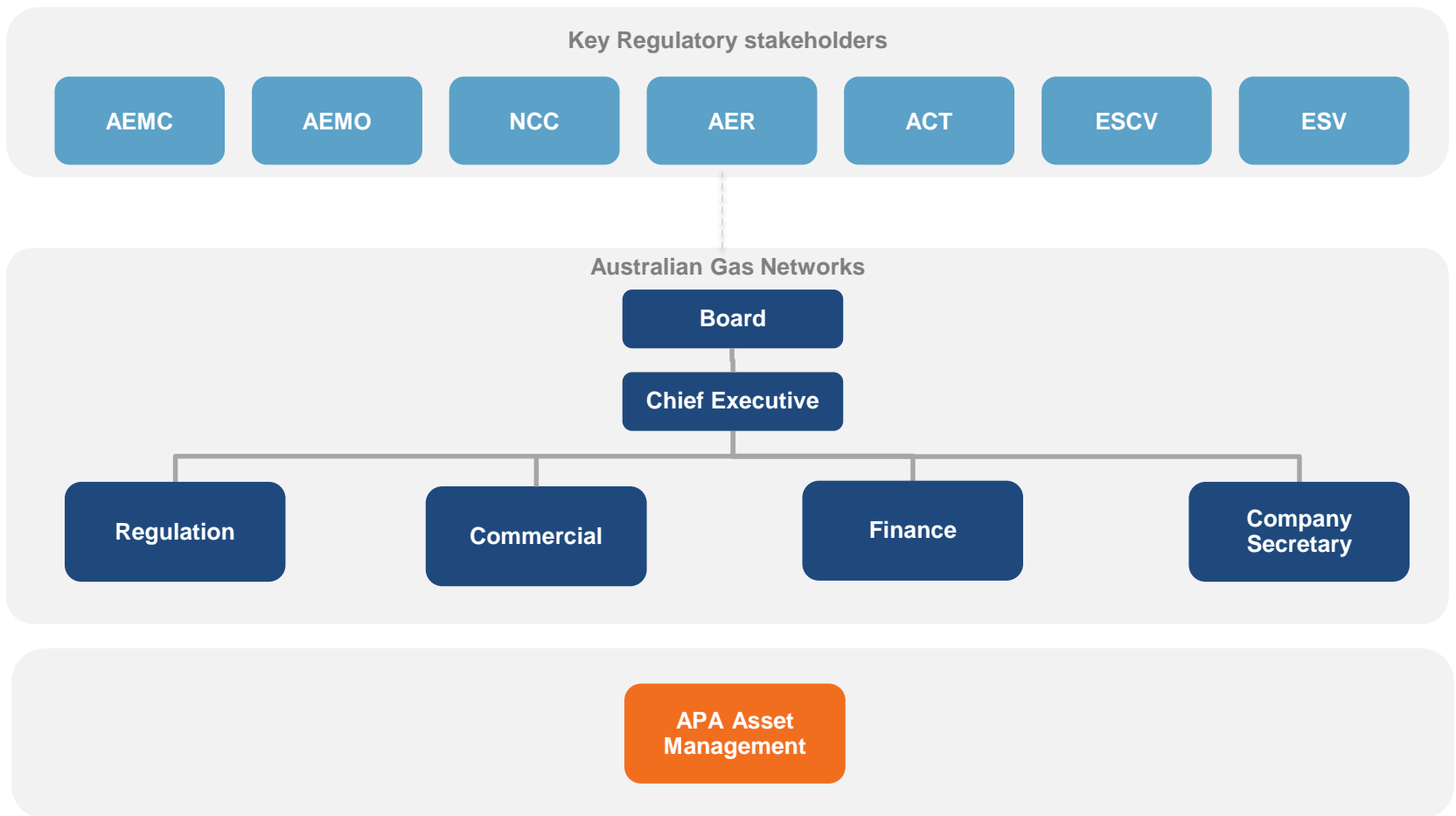


Working  
Within Industry  
Benchmarks

Delivering  
Profitable  
Growth

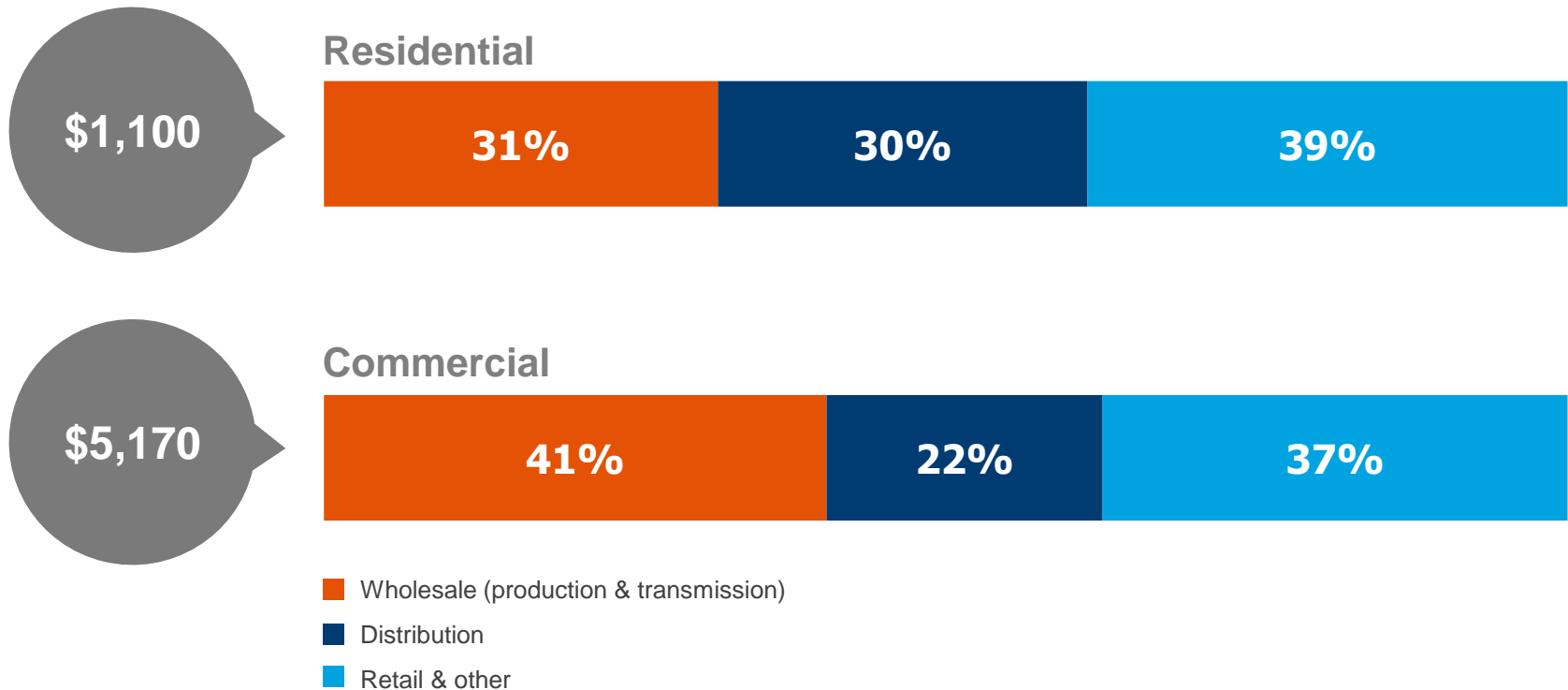
...achieving top quartile performance on our targets

As a monopoly we operate within a regulated environment



# The price you pay for natural gas

## Average annual charge – 2016





Based on the information we have to date, we believe that network (our) charges will reduce over the next five years

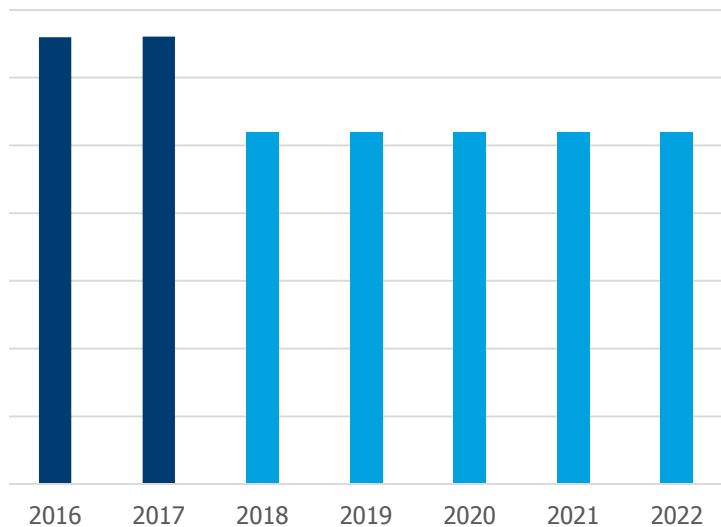
### Residential



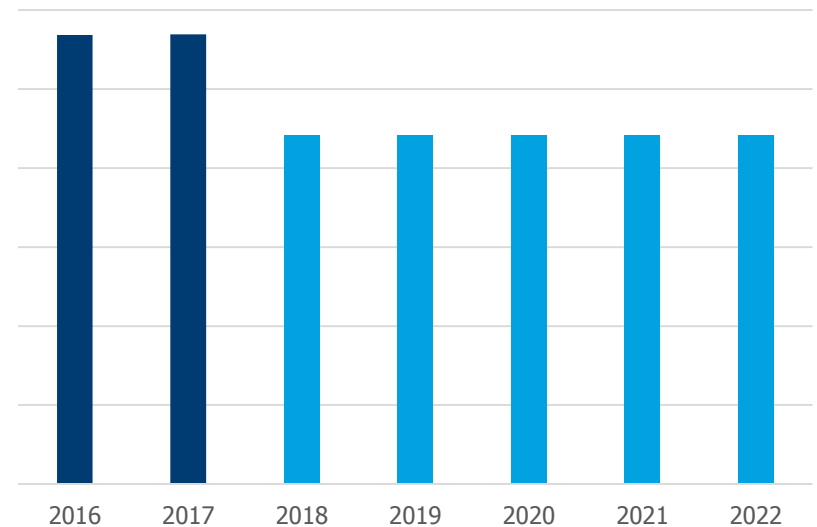
### Commercial



### Residential

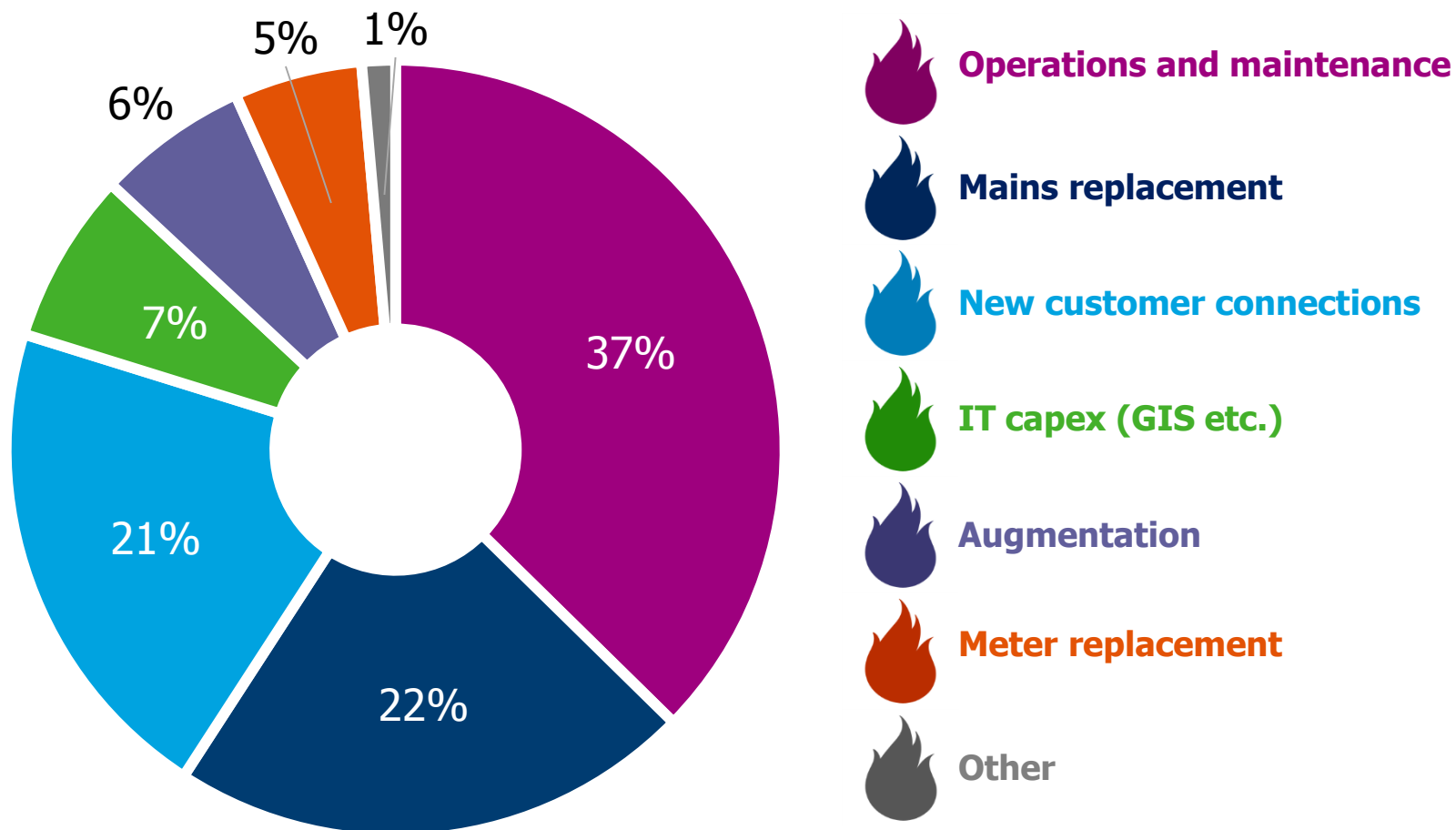


### Commercial



- Network cost component
- Network cost component (forecast)

The amount you pay allows us to maintain and operate a safe and reliable network



**Customer experience**

**Network safety  
and reliability**

**Access and  
affordability**

**Environmental  
commitments and  
reporting**

# What does good customer experience look like?



# How would you like to communicate with Australian Gas Networks?



Name \_\_\_\_\_

## Communication preferences

How would you like to communicate with AGN about these topics?

	AGN website	Email	SMS/text message	Mobile app	Social media (eg Facebook)	Letter in the mail	TV	Radio	Community workshops	Call centre	No preference	Why do you prefer this method(s)?
The natural gas supply chain												
AGN operations												
Future plans for the natural gas network												
Availability of natural gas in my area												
Gas connections												
Gas appliances and running costs												
Meter read programs												
Gas leak reports												
Tariff/pricing structure												
Planned outages												
Unplanned outages												
Mains replacement												
Meter replacement												
Gas fitters, plumbers & appliance retailers in my area												
Awareness of AGN and location of assets												

# Ensuring people know about our assets

## Problem

- Unintended third-party damage to AGN assets
- Results in loss of supply and or public safety issues
- Restoration expenses borne by all

## Proposed Solution

- Public 'Dial before You Dig' awareness campaign

## Program Costs

- Option A – Update Dial Before You Dig (DBYD) form – \$0.10 per annum
- Option B – Targeted marketing (trade magazines) and DBYD form – \$0.50 per annum
- Option C – Radio/TV campaign, targeted marketing and DBYD form – \$3.00 per annum





# Gaining access to all meters in our network

## Problem

- We are required to access meters for reading and safety purposes
- Meters that require to be moved for safety are the responsibility of customers
- We are unable to access some meters for reading due to inaccessibility

## Proposed Solution

- Take action to access meter (increase communication, shut off gas, relocate meter)

## Program Costs

- Less than \$0.50 per annum



**Customer experience**

**Network safety  
and reliability**

**Access and  
affordability**

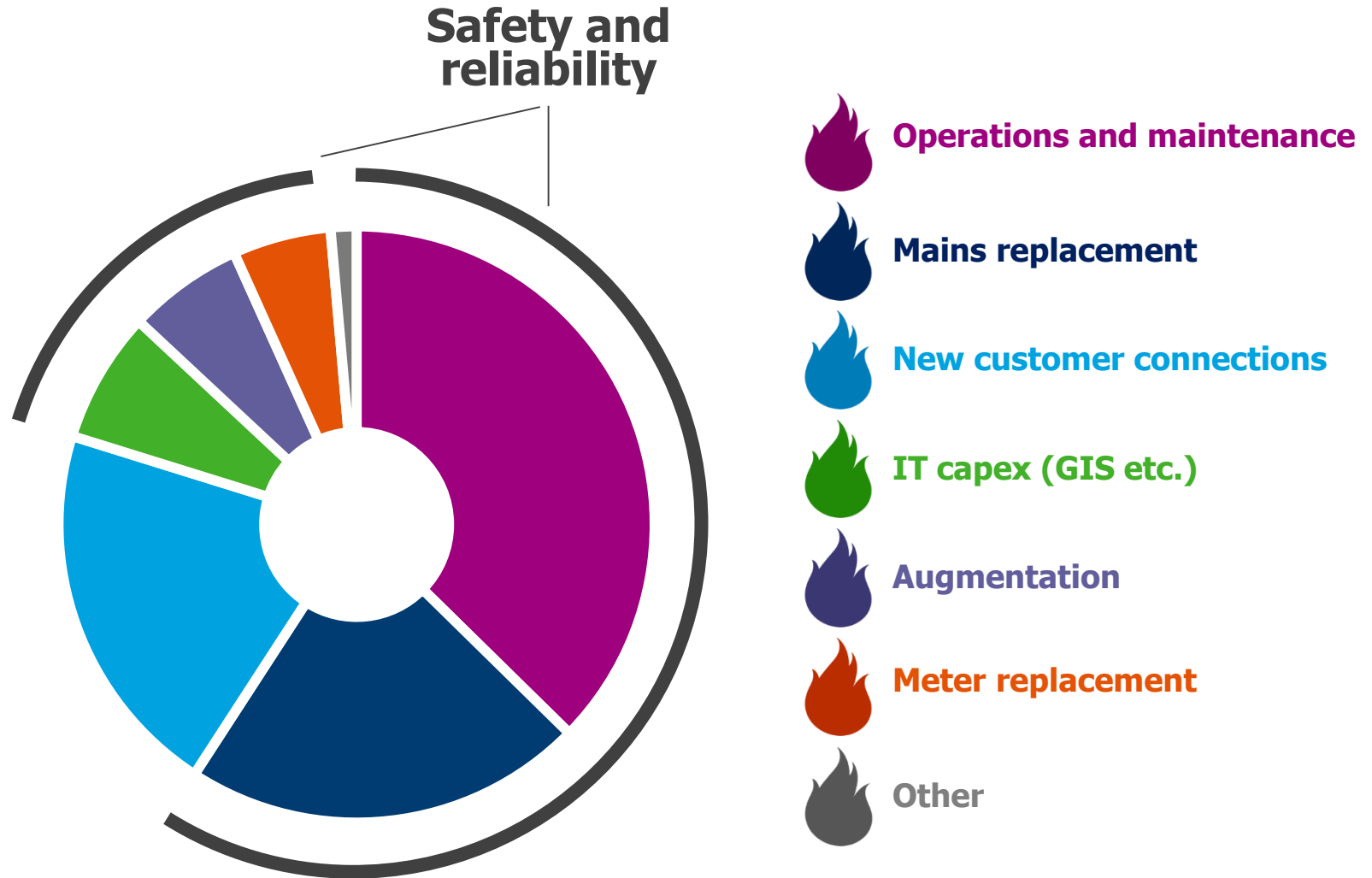
**Environmental  
commitments and  
reporting**

## AGN is committed to the safety of our network

- Gas Distribution License
- Good Industry practice
- Respond to leaks



# Safety and Reliability is the largest component of our expenditure



# Our largest safety expenditure focuses on replacing gas mains

## Problem

- Gas mains and services have an average useful life depending on location and use
- Replacement maintains and improves safety and reliability

## Proposed solution

- We intend to replace approximately 300kms mains in our network over the next five years

## Program Costs

- Mains replacement program – \$6 per annum



# We are considering additional expenditure to minimise fire risk

## Problem

- Gas meters and regulators are not designed to withstand intense heat from bushfires
- Uncontrolled gas escapes can ignite and/or add fuel to existing fires

## Proposed solution

- Fitting Thermal Safety Devices or Excess Flow Valves to meter valves will reduce risk



## Program Costs

- Bushfires areas only – less than \$0.50 per annum
- New and replacement meters – \$3.60 per annum



# We pride ourselves on providing our customers with a reliable supply gas

- Current reliability experience?
- Improved reliability?
- Decreased reliability?



## In the past 12 months, who has experienced an outage?

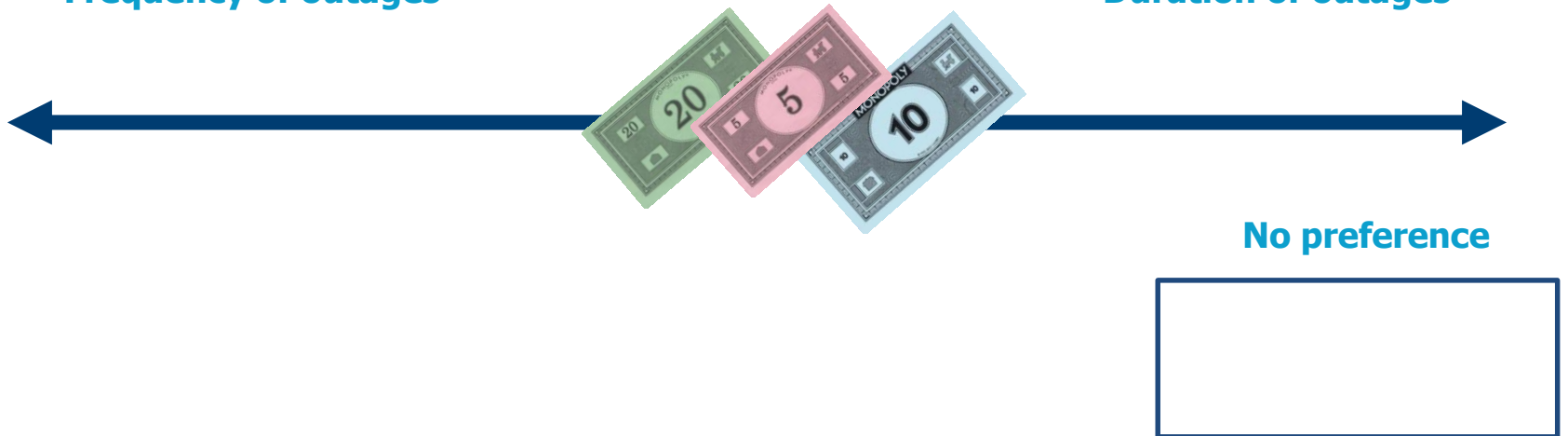
Place your 'money' on the line where you would prefer Australian Gas Networks to focus their efforts?



Frequency of outages



Duration of outages



# Major reliability example - Dandenong transmission pipeline completion

## Problem

- The capacity of existing transmission pipeline will be fully utilised in 2019
- This will impact existing 160,000 customers and organic growth to prospective 65,000 residential customers by 2036

## Proposed solution

- Construction of new transmission pipeline

## Program Costs

- Less than \$1.00 per annum



## We have many other smaller projects that support reliability

- Mornington Peninsula – Queen’s Birthday long weekend peak
- Echuca – 190/year growth reducing network pressures
- Heidelberg/Ivanhoe – continue to ensure supply to Austin Hospital
- Cranbourne – 3000/year growth, 20 year target of 40,000 connections
- Traralgon Trunk Main – 200/year connections reducing network pressures
- Various locations –responding to localised pockets of poor pressure as a result of expansions



### Program Costs

- Less than \$3 per annum

**Customer experience**

**Network safety  
and reliability**

**Access and  
affordability**

**Environmental  
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# Current tariff structure

## Gas

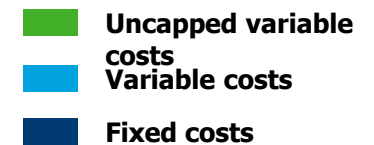
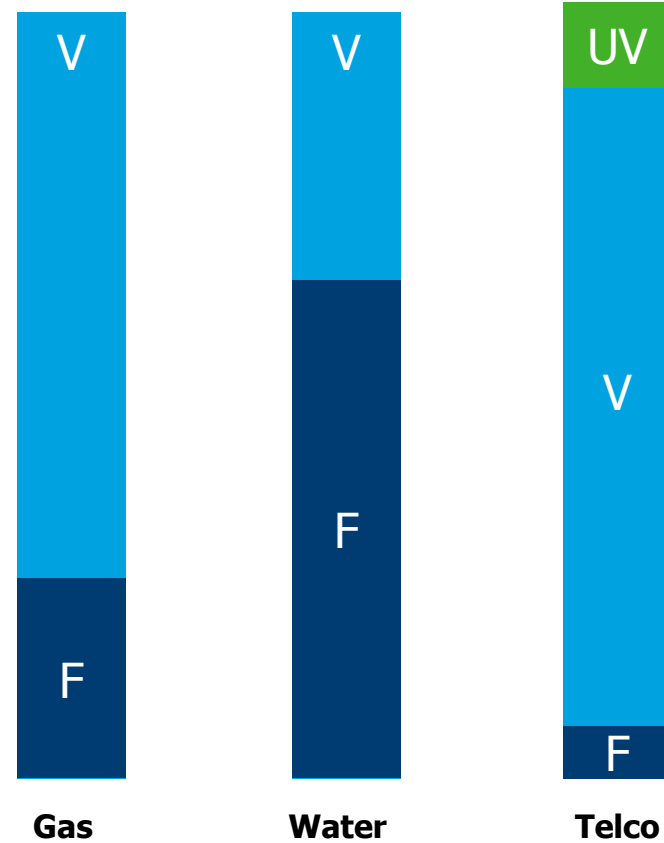
- Smaller fixed costs (supply charge)
- Larger variable costs (usage)

## Water

- Larger fixed costs (supply charge)
- Smaller variable costs (usage)

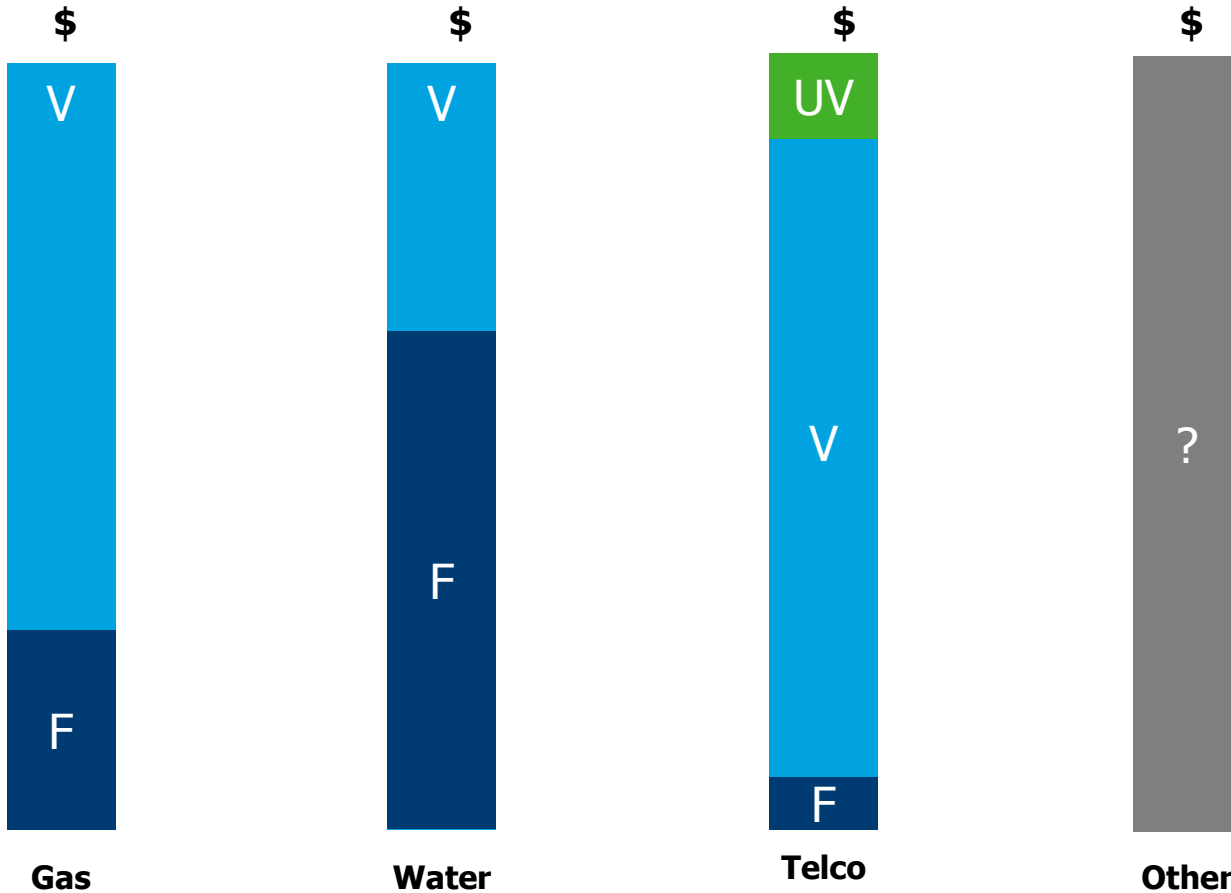
## Telco




- Smaller fixed costs
- Larger capped variable costs (usage)
- Excess Usage variable costs





Please place your vote on one of the tariff structures below.



-  Uncapped variable costs
-  Variable costs
-  Fixed costs

**Customer experience**

**Network safety  
and reliability**

**Access and  
affordability**

**Environmental  
commitments and  
reporting**

# Our environmental commitments

**AGN is committed to managing its activities so as to minimise the adverse effect on the environment.**

**We will report our environmental performance openly and transparently.**

- What would you like to know?

## OBJECTIVE

Australian Gas Networks is committed to managing its activities so as to minimise the adverse effect on the environment. The Company will report its environmental performance openly and transparently.

## PRINCIPLES

AGN is the owner of natural gas distribution networks and transmission pipelines in Victoria, South Australia, Queensland, New South Wales and the Northern Territory.

The Company takes seriously its obligations to operate, maintain and expand its networks and pipelines with concern for the environment. In doing so we are committed to:

- Ensuring our employees and contractors clearly understand and support our policy, and have the training, skills and equipment to perform their roles with regard for the environment;
- Striving to achieve a standard of environmental management that complies with the spirit and letter of the law;
- Encouraging innovation to avoid or minimise the impact of installing and maintaining our distribution networks and transmission pipelines. In doing so we will learn from our own performance and from external developments;
- Seeking economic ways to reduce greenhouse gas emissions from our distribution networks;
- Ensuring the business is operated in compliance with Federal and State laws and industry standards;
- Continuing to seek ways to eliminate waste;
- Setting targets and measuring progress to ensure we continuously improve our performance;
- Ensuring that when assessing the performance of our contractors it includes compliance with this policy; and
- Communicating our performance to interested parties.

## Application

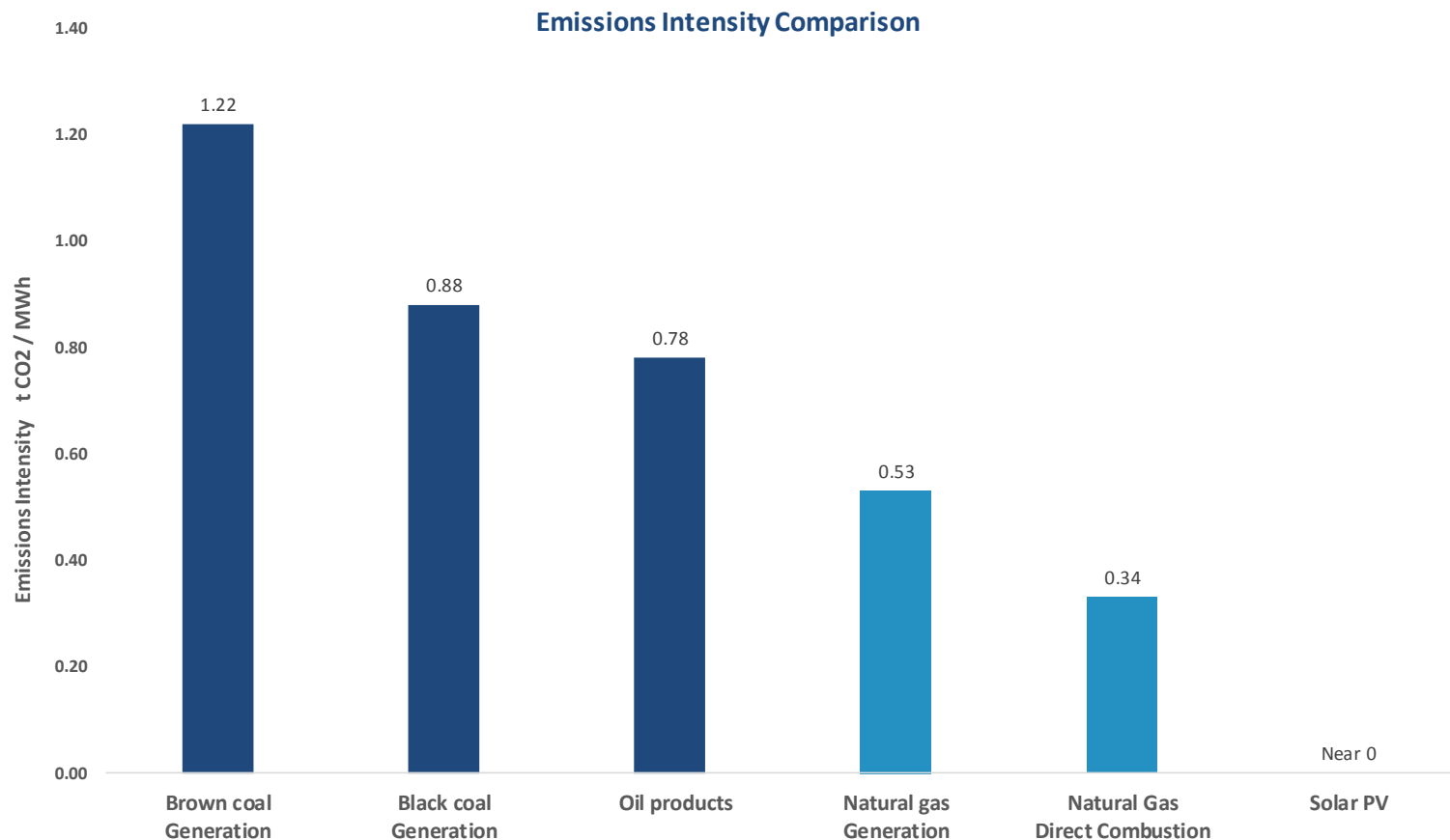
Responsibility for the application of this policy rests with the Company Secretary.

## Policy Review

This policy is to be reviewed at least annually. Any amendments are to be approved by the Board.

Reviewed: October 2014

# Natural Gas is a low carbon fuel, equivalent to ~50% renewable electricity



Sources: Coal, Oil, Gas Generation data per Climate Change Authority - Electricity Generation Emissions Intensity -Oct 2013  
Gas Direct Combustion and Solar - Pitt and Sherry Nov 2011

# Priorities

Which investments are most important?

# Investment priorities

Name \_\_\_\_\_



## Investment priorities

What priority do you place on the potential investments we have described today? Please rank each of the investments in order of importance to you, where 1 is the most important and 10 is the least important.

Topic	Investment	Max. annual cost (exning)	Vote (✓)	Priority
Customer experience	Ensuring people know about our assets: radio/TV campaign, targeted marketing and updated 'Dig Before You Dig' form	\$3.00		
	Gaining access to all meters in our network: take action to access meter	\$0.50		
Network safety and reliability	Mains replacement program: replace gas mains and services to maintain safety and reliability	\$8.00		
	Bushfire preparedness: fit safety devices to new and replacement meters, and bushfire areas	\$3.00		
	Dandenong transmission pipeline completion: construction of a new transmission pipeline to service Dandenong region	\$1.00		
	Other project to support reliability: Mornington Peninsula, Schuys, Heidelberg/ Ivanhoe, Cranbourne, Traralgon and other unspecified projects	\$3.00		
Total annual cost of all potential investments		\$17.10		

# Thanks and close

What happens next?

# Stakeholder engagement process





# Wrap up



[stakeholders.agnl.com.au/have-your-say](http://stakeholders.agnl.com.au/have-your-say)



## AGN 2016 stakeholder engagement workshop feedback

On behalf of the Australian Gas Networks (AGN) and Deloitte teams we would like to thank you for your participation in today's customer engagement workshop for AGN. We hope you enjoyed your participation as much as we did. We appreciate the time taken to provide feedback.

### 1. What were the positive things in today's workshop?

### 2. What could be improved?

### 3. How did you benefit from the workshop?

### 4. Did the education material (posters, workshop presentation) help you understand the topics discussed today?

### 5. How did you find the pace and timing of today's workshop?

Posters

**Fact sheets**

**Future price path**

# Participant packs

## Forms:

**Publicity consent**

**Information consent**

**Workshop feedback survey**

## Worksheets:

- Thinking about your gas bill
- Communication preferences
- Potential investment priorities

Name \_\_\_\_\_



# Workshop worksheets and forms

Network users

# Regulation team contacts



Your voice, and that of the people you represent (your town/constituency/interest group), will be incorporated into AGN's regulatory business proposal for the future development of the AGN distribution network. If you have any questions or concerns you may discuss them upfront with the workshop facilitators today or contact the AGN Regulation team at any time.



**Craig de Laine**  
Group Manager, Regulation  
craig.delaine@agnl.com.au  
8418 1129  
0403 309 949



**Anna Mitchell** (key customer engagement contact)  
Stakeholder Engagement Officer  
anna.mitchell@agnl.com.au  
03 9463 8383  
0477 745 124

# Information consent



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Please sign and complete the details below if you consent to AGN using the information and feedback you provide during this workshop/interview for the purposes described above. Your consent will continue until you inform us that you want to withdraw it. If you withdraw consent after AGN has published a report which includes information you have provided, your consent will not be able to be withdrawn in respect of that published report.

Please note if your name is used in any written form in conjunction with a quotation, only your first name will be used for reference. If you represent a range of stakeholders (eg an industry or community group) it may be necessary to identify you and your representative body as the source of information used in any publicly available information.

First and last name	
Signed	
Address	
Phone number	
Email	

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- I am over the age of 18
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Name \_\_\_\_\_



## Thinking about your last quarterly gas bill...

Approximately how much was your gas bill for the last quarter?	\$	
<b>At what price would you have considered it to be:</b>		
Too cheap?	\$	
Cheap, but not too cheap?	\$	
Expensive	\$	
Expensive, but not too expensive?	\$	





Name \_\_\_\_\_

## Investment priorities

What priority do you place on the potential investments we have described today? Please rank each of the investments in order of importance to you, where 1 is the most important and 6 is the least important.

Topic	Investment	Options	Annual cost	Vote (✓)	Priority
Customer experience	Ensuring people know about our assets	Option A: Updated 'Dial Before You Dig' form	\$0.10		
		Option B: Targeted marketing (e.g. Trade magazines) <b>and</b> updated DBYD form	\$0.50		
		Option C: Radio/TV campaign <b>and</b> targeted marketing <b>and</b> updated DBYD form	\$3.00		
	Gaining access to all meters in our network:	Take action to access meter	\$0.50		
Network safety and reliability	Mains replacement program	Replace gas mains and services to maintain safety and reliability	\$6.00		
	Bushfire preparedness	Option A: Fit safety devices in bushfire areas	\$0.50		
		Option B: Fit safety devices to new and replacement meters <b>and</b> in bushfire areas	\$3.60		
	Dandenong transmission pipeline completion	Construction of a new transmission pipeline to service Dandenong region	\$1.00		
	Other projects to support reliability	Mornington Peninsula, Echuca, Heidelberg/Ivanhoe, Cranbourne, Traralgon and other unspecified projects	\$3.00		
	<b>Maximum total annual cost of all potential investments</b>		<b>\$17.10</b>		