

Attachment 3.11

Australian Gas Networks Insights
and Implementation Report

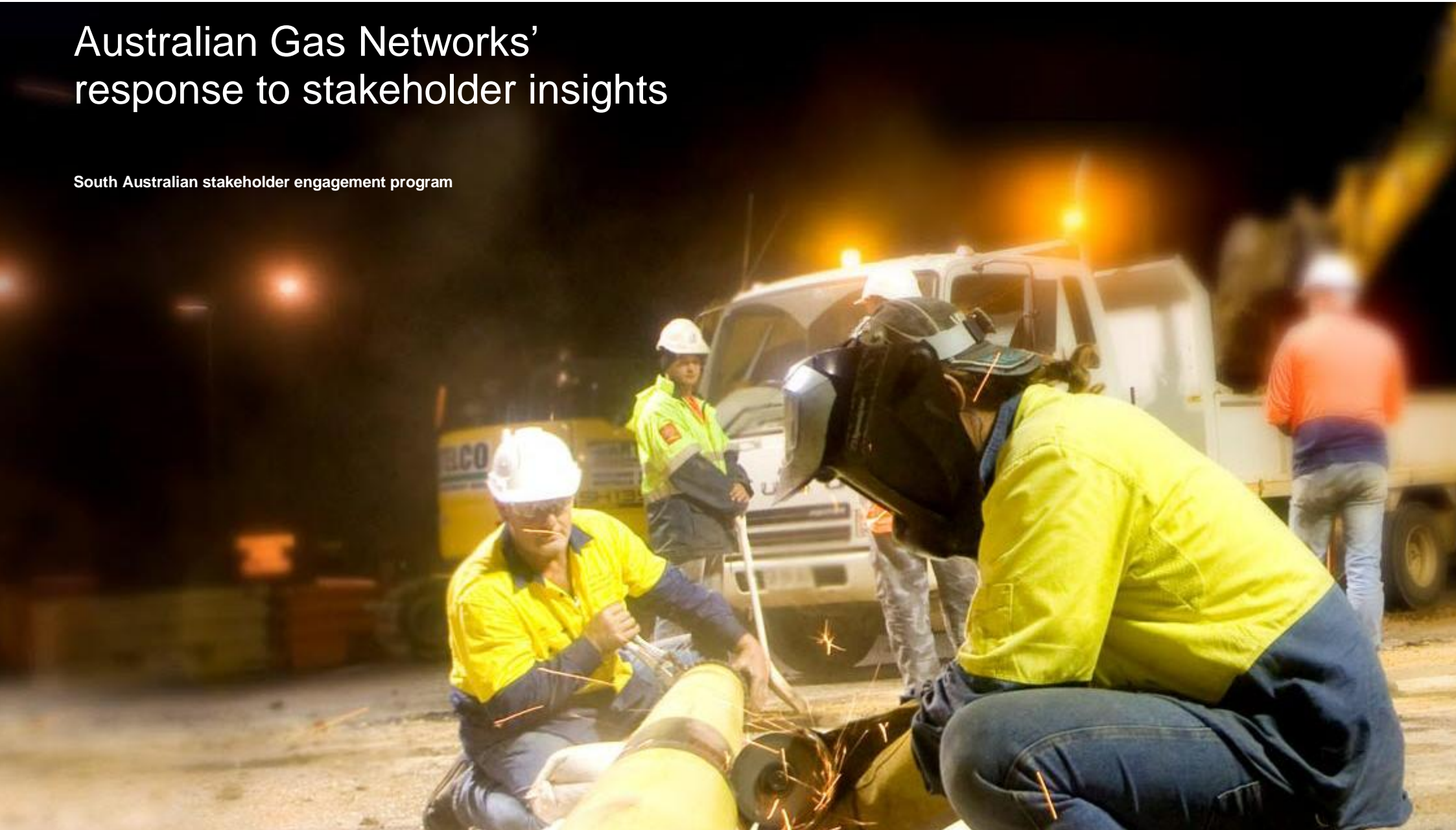
**2016/17 to 2020/21 Access
Arrangement Information**

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Insights and Implementation

Australian Gas Networks' response to stakeholder insights

South Australian stakeholder engagement program





“ We look forward to hearing your thoughts on our plans and thank you for your support and input to date. ”

Dear stakeholder,

Australian Gas Networks (AGN) is one of Australia's largest natural gas distribution companies. Our origins date back over 150 years to the gas distribution networks of the former South Australian and Brisbane Gas Companies and the Gas and Fuel Corporation of Victoria.

Today, AGN owns around 23,000 kilometres of natural gas distribution networks and 1,100 kilometres of transmission pipelines in South Australia, Victoria, Queensland, New South Wales and the Northern Territory.

Headquartered in Adelaide, South Australia, AGN has an experienced management team of utility professionals. Together, with the operator of our networks, APA Asset Management, we proudly provide a safe, reliable and efficient gas supply to our 1.2 million customers.

On a personal note, I take this opportunity to introduce myself as AGN's incoming Chief Executive Officer. I am looking forward to working with the AGN team to continue delivering safe, reliable and efficient natural gas supply to your premises and evolving the business in line with the changing market and customer values.

I can assure you that both myself and the AGN team recognise the importance of actively engaging with our stakeholders to understand their needs and values, ensuring we operate our networks in a manner that is consistent with the long term interests of our customers.

Over the past nine months the AGN team has implemented a comprehensive stakeholder engagement program across South Australia to inform and direct our business planning. Thank you to everyone who has participated in this program to date.

I am pleased to present this report outlining our response to the feedback and insights gathered from stakeholders to inform the upcoming review of the South Australian Access Arrangement.

Our report is organised around four pillars that represent customer values derived from the insights, which we used to evaluate our business plans in conjunction with a consideration of our regulatory obligations.

We are confident that these plans align with customer values and priorities to deliver benefits that are in the long term interests of our customers.

Finally, I encourage you to review this document and provide us with any feedback. We look forward to hearing your thoughts on our plans and thank you for your support and input to date.

A handwritten signature in black ink that reads "Ben Wilson".

Ben Wilson
Chief Executive Officer¹

¹ From 2 March 2015

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Introduction

About our business

Australian Gas Networks Limited (AGN) (formerly Envestra Limited (Envestra)) is one of Australia's largest natural gas distribution companies, with origins dating back over 150 years. Today, AGN operates in most states and territories across Australia.

Since deregulation of the Australian gas industry in 1997, AGN has undergone significant transformation and growth.

August 1997

The South Australian and Brisbane Gas Companies, which began operating in 1861 and 1864 respectively, were combined into one organisation – Envestra – and listed as a public company on the Australian Securities Exchange (ASX).

March 1999

Envestra acquired Stratus Networks, which was part of the former Victorian Gas and Fuel Corporation.

December 2010

Envestra Limited acquired Country Energy Gas Pty Ltd, which owned the gas networks in and around Wagga Wagga, New South Wales.

August 2014

A consortium comprising Cheung Kong (Holdings) Limited, Cheung Kong Infrastructure Holdings Limited and Power Asset Holdings Limited (together, the CK Consortium) increased its shareholding in Envestra to 100%.

October 2014

Envestra was delisted from the ASX.

November 2014

Envestra was renamed Australian Gas Networks Limited, which is referred to as AGN in this document.

Where we operate

AGN owns about 23,000 kilometres of natural gas distribution networks and 1,100 kilometres of transmission pipelines, serving around 1.2 million customers in South Australia, Victoria, Queensland, New South Wales and the Northern Territory. See Figure 1.

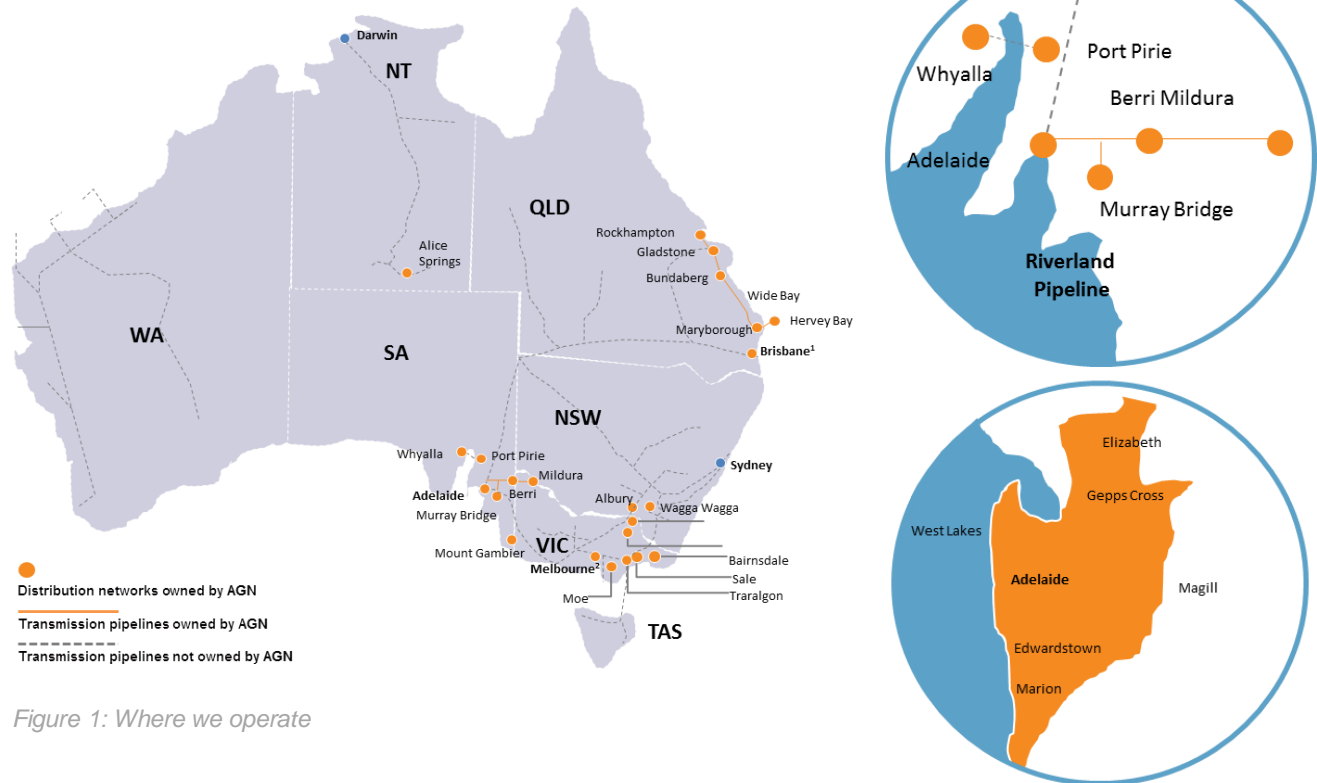


Figure 1: Where we operate

What we do

AGN's core business is gas distribution. We own the distribution mains and related network assets that deliver natural gas to customers.

Our medium-to-low pressure pipelines carry gas to customers from gate stations (points where the gas enters the distribution network from the transmission pipelines). Prior to arriving at the gate station, gas has been produced at a gas field and transported to a city via a high pressure transmission pipeline. This supply chain and its relationship to a retail gas bill is illustrated in Figure 2.

We are also responsible for the pipes that carry gas from the gas main in the street to the customer's property and the meters that measure how much gas is being used by each customer.

During the year ended 30 June 2014, our networks delivered 108 petajoules of natural gas to over 1.2 million customers across Australia.

Our assets are operated and maintained by APA Asset Management (APA) under a long term Operating and Management Agreement.

Regulation

We operate our networks in accordance with the National Gas Law and various state-based operating guidelines.

The Australian Energy Regulator (AER) monitors our compliance with the National Gas Law. The overarching requirement of the National Gas Law is the National Gas Objective, which requires AGN to “*promote efficient investment in, and efficient operation and use of, natural gas services for the long term interests of consumers of*

natural gas with respect to price, quality, safety, reliability and security of supply”.

To achieve the National Gas Objective we must:

- ensure prices are consistent with the lowest sustainable (long term efficient) cost;
- deliver service levels that reflect what our customers want and are willing to pay for;
- provide services in a safe and reliable manner; and
- adapt prices and service levels to changing market conditions.

State-based regulations also apply. In South Australia, the Essential Services Commission of South Australia (ESCOSA) issues the distribution licence under which AGN provide services and sets the minimum service standards that we are required to provide. Similar arrangements are in place in Victoria with the Essential Services Commission of Victoria, in Queensland with the Department of Energy and Water Supply and in New South Wales with the Minister for Resources and Energy and the Independent Pricing and Regulatory Tribunal.

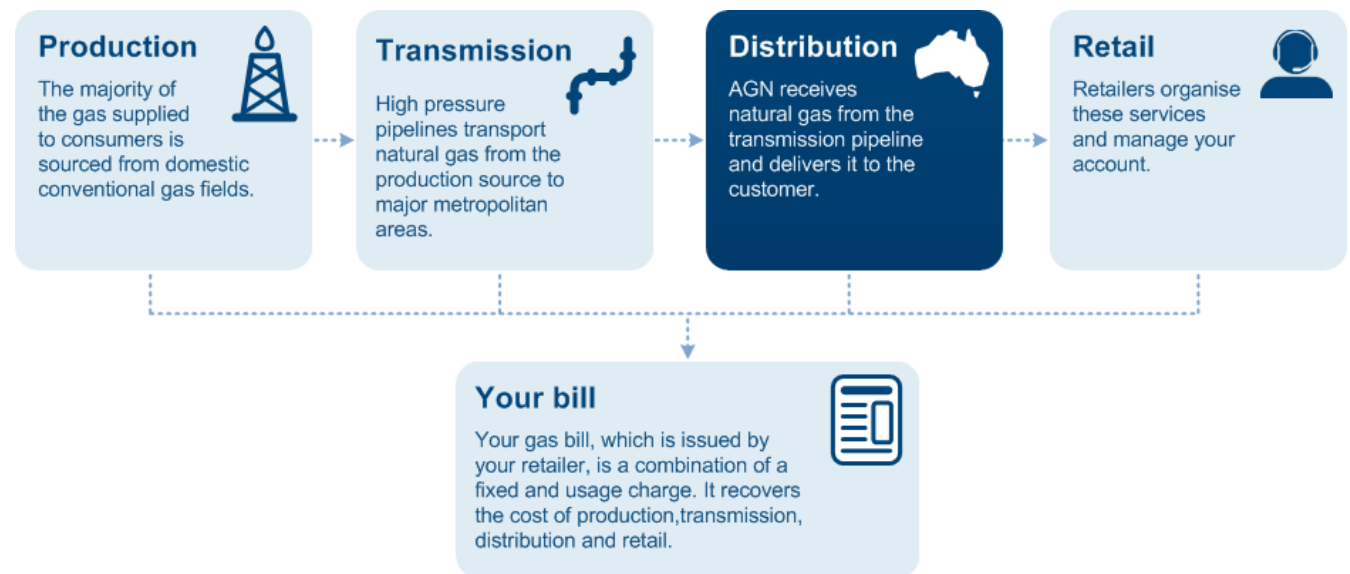


Figure 2: The South Australian natural gas supply chain - how natural gas gets to you

Access Arrangement

For our regulated networks, such as South Australia, we are required to submit a business plan called an Access Arrangement (AA) to the AER for approval every five years. This plan sets out the services we will offer, the costs we are likely to incur and the prices we propose to charge.

The AER reviews our AA proposal to ensure we are acting in a way that promotes the long term interests of our customers. The AER will either accept our proposal or specify changes to it.

The approved AA sets a ceiling on the prices we can charge over the five-year regulatory period based on the requirement to recover the efficient costs of operating a gas distribution network. We can adjust prices annually but we cannot exceed the maximum allowable price.

We are also required to submit an Access Arrangement Information (AAI) document, which explains the rationale for the services, prices, and conditions of supply that are set out in our AA.

Importantly, the AA and AAI (jointly referred to as our proposal) should take into account current customer concerns and priorities to ensure that the proposal satisfies the National Gas Objective and is consistent with their long term interests.

Our AA proposal for the South Australian network is due for submission to the AER on or before 1 July 2015. This proposal sets out our plans for the network and prices for the upcoming five-year regulatory period from 1 July 2016 through to 30 June 2021 (referred to as “the upcoming regulatory period”).

Importantly, our recent stakeholder engagement and this document focus on our South Australian network in order to inform our AA proposal.

Performance

We pride ourselves in operating our networks in a safe, reliable and efficient manner. We recognise these objectives are fundamental to successfully growing our business.

This is particularly relevant to our business because natural gas is a fuel of choice. This provides a strong incentive for AGN and other organisations in the supply chain to provide high quality customer service in the most affordable way.

Efficiency

There are a number of ways to measure efficiency, one of which is the Multilateral Total Factor Productivity (MTFP) measure. AGN applies the MTFP measure to compare the efficiency of our networks relative to other gas distribution networks.

A recently commissioned independent expert report regarding our MTFP indicates that AGN’s South Australian operations have been operating efficiently when compared to similar networks in other states, having consideration for differences in network density and size.

Reliability

We are proud of our record of providing a reliable gas service to approximately 425,000 South Australian gas customers. In 2014 we only had 17 instances where we had an unplanned outage that affected more than five customers.

Our recent stakeholder engagement and this document focus on our South Australian network in order to inform our upcoming AA proposal.

“Taking the differences in network density and size into account, the results of this study indicate that AGN SA is likely an efficient performer.”

Economic Insights



What our role means for you

For many people, natural gas is a key part of their energy mix. Natural gas is used for space heating, water heating and cooking (including BBQs). It is also an important fuel for many industries. In most cases, a reliable gas supply to industry would not be possible without our networks.

Our South Australian network transports natural gas to six metropolitan and regional areas via nearly 8,000 kilometres of distribution mains. The majority of the network is located in Adelaide followed by the larger regional centres of Mount Gambier, Port Pirie and Whyalla. In 2014, the network transported over 32 petajoules of gas to around 425,000 residential and business customers in the state.

Through our recent engagement with South Australian customers, we found that many people were not aware of our business and the services we provide. Most likely this is because customers generally liaise with their retailers about matters concerning their natural gas supply.

Although the community may not know much about our business, we play an important role in ensuring you are provided with a safe and reliable gas supply.

Setting gas prices

We don't sell gas; rather we facilitate its transport to customers. In order to recover our costs, we charge retailers and certain large industrial businesses to use our network and related services.

Retailers pass this charge onto you through the gas bill. Some large industrial users can organise their own gas supply, and as such, may not rely upon a retailer.

As explained earlier, the prices (tariffs) that we can charge are regulated by the AER.

In South Australia, our charge contributes around 50% to the total average residential customer bill.² Our charge is not specified separately, but simply included in the total price you pay your retailer for natural gas.

² Based on analysis of the average annual retail bill by independent expert Core Energy Group. The analysis indicates that the current average SA gas bill (2014/15) is approximately \$1,075 per year for a residential customer (of which the network component is approximately \$559) and \$3,780 for a commercial/small business customer (of which the network component is \$1,777). These estimates are indicative only.

Purpose of this document

For the first time, our AA proposal for the South Australian network (due for submission to the AER by 1 July 2015) will be informed by a comprehensive stakeholder engagement process that has been designed to help us better understand our customers and their values.

Our (and APA) executive management team have had a hands-on role throughout the process to ensure stakeholder messages were heard, and most importantly, acted upon within the business.

Our stakeholder engagement program is described in more detail in the next section. A key outcome of this program was an independent report from Deloitte, which details the stakeholder feedback grouped into 14 overarching insights. This paper should be read in conjunction with the Deloitte insights report, which is also available at our *Have your say...we listen* website (stakeholders.agnl.com.au).

We considered the feedback from the engagement activities to date, as well as Deloitte's independent summary to develop this *Insights and Implementation* report, which outlines our response to the stakeholder feedback.

By clearly setting out our plans, we hope to increase transparency and promote ongoing discussion between customers and AGN on key topics.

We invite our customers and stakeholders to provide feedback on this document. To guide you, we have included call-out (*Tell us what you think*) boxes throughout the document to highlight key questions we are seeking feedback on. However, we are open to your feedback on any and all topics relating to our network.

Your feedback will help us finalise the details of our revised South Australian AA proposal, ensuring it is based on a clear understanding of stakeholder values, issues and concerns.

As described earlier, AA proposals are essentially our business plans for the upcoming five-year regulatory period.

Submissions on this document close 5 pm Australian Central Standard Time (ACST), Thursday 26 March 2015 and are intended to be made publicly available at our *Have your say...we listen* website (stakeholders.agnl.com.au).

Please refer to the [Next steps](#) section for details on how to submit feedback.



Engaging with stakeholders

We aim to operate our networks efficiently and in a manner that promotes the long term interests of our customers. To achieve this, we have designed and implemented a comprehensive engagement program to generate meaningful insight into stakeholder values to direct the development of our AA proposal and our general business plans.

As one of the largest gas distribution companies in Australia, our operations impact many people, including current and prospective customers, our staff and those who live in areas where we are undertaking work.

We understand that for our business to be successful, we must operate in line with the wants, needs and values of our stakeholders. It is therefore essential that we hear from you about what we are or aren't doing well and how we can improve.

To help us communicate with stakeholders and to help stakeholders communicate with us, we have embarked on a stakeholder engagement program. A key output from this program was a series of stakeholder insights which we have used to inform our future business plans.

The program commenced in July 2014. The South Australian program will be adapted and sequentially rolled out to engage stakeholders in all regions in which we operate.³

South Australian program

The South Australian program is based on the requirements of the National Gas Law, National Gas Objective and the stakeholder engagement principles defined by the AER in its Consumer Engagement Guideline.

A key component of our stakeholder engagement strategy was establishing the following two external Reference Groups to regularly challenge and guide us throughout each phase of the engagement program:

- the AGN Reference Group – which comprises a cross-section of community representative groups; and
- the Retailer Reference Group – which comprises retailers who operate in South Australia.

During the Strategy Phase we liaised with our two Reference Groups, regulators, government and key stakeholders to get their views and recommendations on how best to deliver our engagement program. Deloitte was engaged to facilitate the Research Phase of our engagement program and to capture and report on key stakeholder insights.

³ As defined in our *Stakeholder Engagement Strategy* which can be downloaded from stakeholders.agnl.com.au.

The program is currently in the Implementation Phase. This document reports on how the insights from the Research Phase have been incorporated into our business plans and AA proposal for the South Australian network.

Submissions on this document will help inform our final proposal, prior to submission to the AER by 1 July 2015.

“It’s positive that AGN is concerned with our opinions.”

South Australian regional workshop participant

Phases

Our stakeholder engagement program has four phases as outlined in Figure 3 and explained below.

Strategy

During this phase, a specific engagement approach for the South Australian network was developed in collaboration with our Reference Groups and key stakeholders.

Research

The strategy was implemented through targeted engagement with external stakeholders in workshops, surveys, interviews and meetings. Deloitte collated and analysed the research data to develop 14 insights that fairly represent the general views of South Australian gas customers.

Implementation

The insights from the research phase have now been considered by AGN. As already noted, the primary purpose of this paper is to seek further feedback on how we intend to incorporate stakeholder feedback in our AA proposal for the South Australian network (and our business plans more generally).

Ongoing engagement

This phase involves reporting on the outcomes and effectiveness of the engagement activities to date; incorporating the lessons learnt into future engagement programs in South Australia and other regions served by our networks; and continual engagement with stakeholders beyond development of the AA proposal.

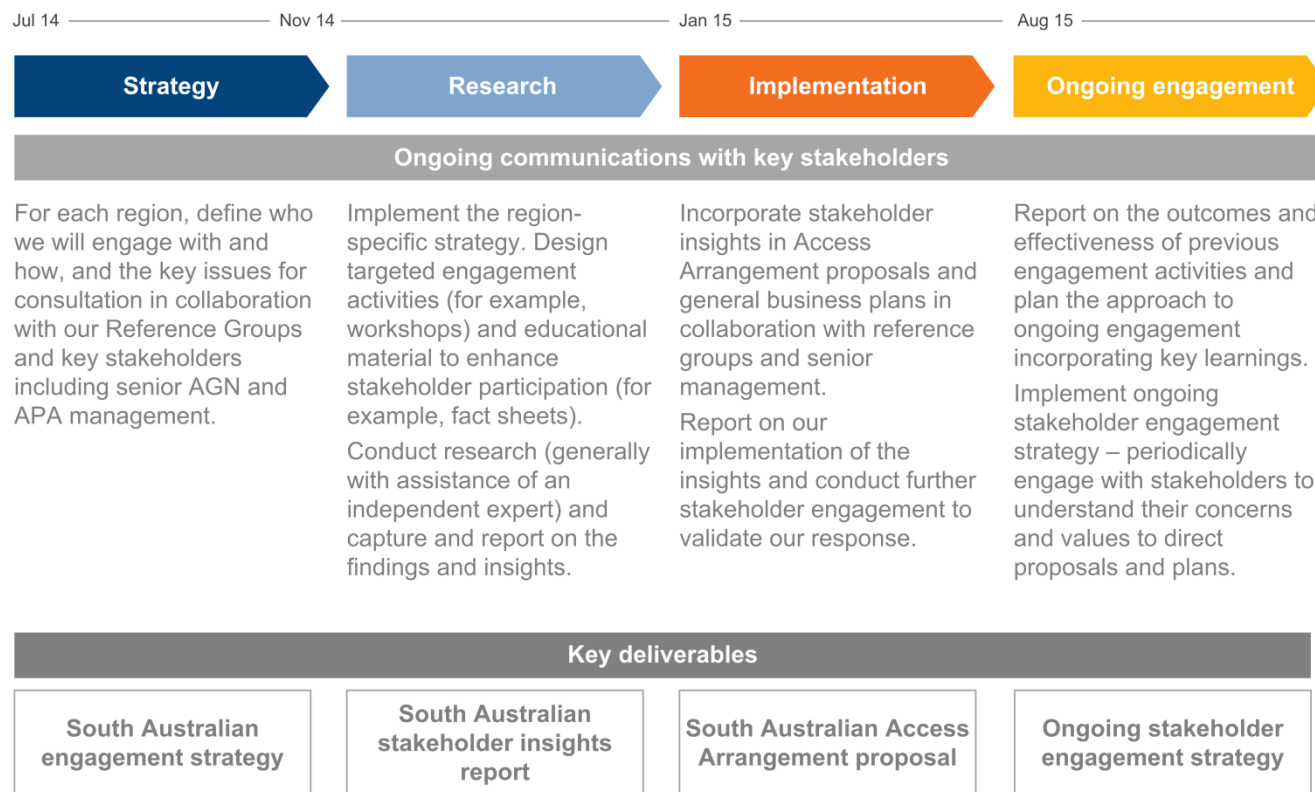


Figure 3: South Australian stakeholder engagement program

Process

During the research phase, we engaged South Australian stakeholders in workshops, an online survey and targeted 'deep dive' interviews to learn about their needs and values.

Further detail about our stakeholder engagement process and research method can be found at our *Have your say...we listen* website (stakeholders.agnl.com.au).

Workshops

We held four workshops in metropolitan and regional South Australia with residential and small-to-medium business customers.

We also engaged consumer advocacy groups in a workshop to discuss AGN's proposal and general community concerns.

Survey

The online survey was targeted at South Australian gas customers over a three-week period. The survey was intended for comparison with the workshop data.

Interviews

Major customers, retailers and consumer advocacy groups were engaged in interviews to get feedback on our proposed initiatives and understand the relevant issues facing their stakeholders.

Testing customer support

One component of the workshops and survey research was testing customers' willingness to pay for AGN to undertake certain initiatives.

We presented customers with scenarios explaining the initiative and associated price implications (estimates of cost per customer) for changes in customer service

standards or investments in network safety and expansion.

We asked customers to rate the importance of the initiatives and indicate whether they were prepared to pay more for an increased level of service or – where appropriate – pay less for a reduction in service levels.

Future price path

To enable customers to make more informed decisions, we provided workshop participants with a 'best estimate' of future prices over the upcoming regulatory period (2016-2021).

At the time (December 2014) our baseline estimate was that the average residential customer gas retail bill would decrease by approximately \$50 in 2016 and remain steady until the end of 2021 (in current dollar terms).⁴

We are not experts on other sections of the value chain which make up a customer's gas retail bill, nor do we have any control over what retailers do with their prices. Accordingly, we engaged independent expert Core Energy Group to help us with our estimate based on likely movements of costs across the natural gas supply chain at that time.

During the workshop we discussed the uncertainties surrounding future prices, noting that each component is subject to (and will) change prior to the next regulatory period commencing on 1 July 2016. For example, oil prices can impact the wholesale gas price and market parameters and initiatives undertaken by our business can impact the distribution price.

⁴ For the purposes of this estimate assumptions were made about the "average" gas customer based on advice from independent expert Core Energy Group, as previously noted.

In many cases, customers were surprised to learn that the distribution charge made up a significant component of their gas retail bill.

Average annual charge: 2014/15

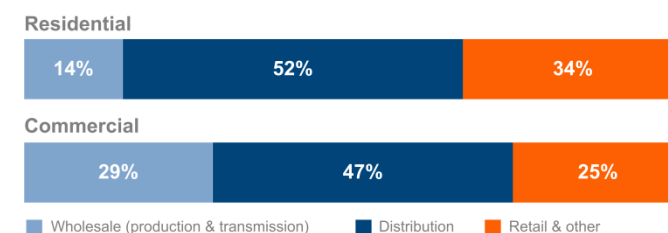


Figure 4: Average retail gas bill components (South Australia)

Tell us what you think

Do you agree with our overall approach to stakeholder engagement?

Do you think we have undertaken an appropriate level of engagement with stakeholders?

Are there any other steps or engagement activities you would like to see included?

Stakeholder insights

During the Research Phase, our various engagement methods provided important feedback from stakeholders. Deloitte distilled this information into 14 insights, as presented in their Stakeholder Insights report.⁵

Notably, these insights are consistent with the results of our regular market research program in terms of customers' general perceptions of gas and prices, brand awareness, customer service and environmental concerns.⁶

The stakeholder insights are as follows:

1. Customers don't understand AGN's role in the industry and the regulatory model

Community needs and expectations with respect to information are changing. Customers want more information about businesses to help them make informed decisions. In terms of our business, this specifically relates to the regulatory model (why and how AGN is regulated including how prices are set) and our operational activities, including where AGN fits in the natural gas supply chain.

2. Customers are concerned about rising energy costs and control over their bill

Customers expressed concerns about future energy supply and rising costs. Price and the ability to control

demand is the primary concern, however customers also consider the environmental costs and value energy efficiency.

3. Customers view gas as a reliable source of energy

Overall, customers like gas and believe it is a reliable and efficient energy source. They also recognise the importance of providing a safe supply.

4. Customers consider the local economy when evaluating alternatives

Customers are looking for assurances that proposed initiatives will support local jobs and business or that AGN has at least considered this issue. They support initiatives that provide wider community benefits.

5. Customers are generally satisfied with AGN's service and response times

Customers are generally satisfied with our current call centre response times but would support measures that would lead to quicker responses to gas leaks and emergencies.

6. Customers want more communication from AGN via multiple channels

Customers generally prefer digital channels for communication timeliness and convenience. They value personalised messages and reminders about issues affecting them via 'real-time' digital channels. But when it comes to complex issues and/or planned service requirements, customers prefer to be informed through more direct means such as via the call centre, letter or email.

⁵ Australian Gas Networks Stakeholder Insights report: South Australian Stakeholder Engagement Program' can be downloaded from stakeholders.agnl.com.au.

⁶ AGN has engaged McGregor Tan Research and Harrison Research to conduct phone surveys, in-depth interviews and focus groups with gas and non-gas consumers (including a mix of age and gender), and key influencers of gas connection such as gas appliance retailers, plumbers, builders and appliance manufacturers.

“If we agree to pay more, does that mean more Australians will get jobs?”

South Australian metropolitan workshop participant

7. Customers support the concept of a Guaranteed Service Level (GSL) scheme that compensates gas-dependent customers who receive service below agreed 'standards'

Customers think compensation for significant inconvenience and/or financial loss is a good idea. If a scheme were to be implemented, customers suggested a separate scheme or higher compensation amounts for business.

8. Customers value initiatives that improve community safety across the network

Customers support investment in certain network safety initiatives, including those that reduce or minimise the incidence of gas leaks. Customers also support coordinating capital works with other infrastructure businesses.

9. Customers are less supportive of initiatives affecting individuals when network assets are within their control

Customers generally support investment in safety initiatives but they also consider that consumers have a responsibility to ensure the safety of network assets on their property, and as such, they require more information about the benefits to the wider community if assistance is to be given to specific customers.

10. Customers support expanding and improving the network where there is a clear benefit to residents and business

Customers support investment in costing network expansion and forecasting demand to achieve the goal of connecting more users to the network to provide a cost benefit for all customers.

11. Customers are more concerned with the overall price of gas than the tariff structure

Customers care about the bottom line – their total gas bill – more than how we set prices and recover our costs.

12. Customers believe everyone should pay the same regardless of where they are on the network

Customers favour network expansion and a standard price for all customers to make the network more accessible.

13. Customers believe AGN has a role to play in helping vulnerable customers

Customers want us to work with consumer advocacy groups and other organisations in the supply chain to understand the issues facing vulnerable customers and to participate in the development and implementation of an appropriate response.

14. Customers trust that AGN is meeting its environmental obligations

Whilst customers and stakeholders expect that AGN is meeting its environmental obligations, they think that we should be more transparent about what we do.

Tell us what you think

Based on these insights, how effective do you think our stakeholder engagement program has been in identifying customer concerns, needs and values?

Do you agree with the insights into customer values? For example, do they reflect your own views on gas, prices, information delivery preferences, network safety and expansion? If not, what are your views on these matters?

“At what point is the line drawn between the responsibility of the supplier and the responsibility of the customer to ensure the safety and efficiency of the gas supply to their property?”

South Australian survey respondent

“I don't believe you need an incentive to provide good service. You should be doing that regardless.”

South Australian metropolitan workshop participant

“I don't know much about it. I assume AGN is working with government bodies and environmental groups who are making sure you're doing the right thing.”

South Australian regional workshop participant

Implementation

Our engagement program has helped us better understand what stakeholders value, which will help guide our future operations.

The primary objective of our engagement program was to better understand our stakeholders' values with a view to ensuring our operations reflect these values. We believe this is fundamental to ensuring our operations are aligned with the long term interests of our customers.

Our executive management team participated in all phases of the stakeholder engagement program, including deciding how to implement the insights captured by Deloitte. The team also collaborated to bring the insights together with our other market research to identify what we believe are our customers' underlying values, which gave rise to the four overarching themes: **include, maintain, improve and efficient** as illustrated in Figure 5.

The themes will help inform our business planning to ensure that we are continually operating according to the long term interests of customers. Specific key planning activities are discussed in the remainder of this report.

We will test and validate these themes in future engagement programs to develop an accurate understanding of gas consumers' enduring values.



Figure 5: Stakeholder values and insights

Tell us what you think

Do the themes accurately capture what is most important to customers (and stakeholders more generally)?

Include stakeholders

Stakeholders want AGN to involve and include them by increasing transparency of our operations. This will help them make better decisions and provide more informed opinions.

What we heard from stakeholders

- Customers don't understand AGN's role in the industry and the regulatory model
- Customers want more communication from AGN via multiple channels
- Customers believe AGN has a role to play in helping vulnerable customers
- Customers trust that AGN is meeting its environmental obligations

We're listening...

Historically AGN has employed various techniques for communicating with our stakeholders. We manage several websites, a national call centre and use letters and letter-box drops to notify people of planned interruptions. We have also undertaken brand related market research to better understand consumer preferences.

Whilst these techniques have been satisfactory in the past, our stakeholder engagement program results and our own market research indicates that stakeholder preferences with respect to information provision are

changing. In general, stakeholders expect more information from businesses across numerous channels.

Consistent with this theme, we are proposing to undertake several initiatives over the upcoming regulatory period which are designed to promote increased transparency, education and informed decision making as well as continuing our commitment to engage with stakeholders and include them in future business planning.

More specifically, the key project proposals are our:

- **digital strategy** – which will provide us with the tools we need to effectively and efficiently communicate with the community; and our
- **education and advocacy initiative** – which develops and manages the distribution of education materials to consumers and conducts advocacy activity where appropriate – both of which are particularly important to vulnerable customers.

Our estimated investment in all “include” initiatives is expected to be around \$9 million over the upcoming five-year regulatory period (1 July 2016 through 30 June 2021). This is equivalent to approximately 1% of AGN's total expenditure over the period.⁷

The vast majority of this investment (circa 85%) relates to our digital strategy, whilst approximately 10% relates to the education and advocacy initiative.

⁷ Total expenditure is defined as the sum of capital and operating expenditure over 1 July 2016 to 30 June 2021.

The benefits of these initiatives will go well beyond the next regulatory period.

Digital strategy

We understand that stakeholders expect more from us in terms of our digital presence. In an environment where customers expect information distribution to be swift and practical, our current systems do not provide us with the means to be able to efficiently communicate with the community.

We are committed to rectifying this over the next regulatory period by developing and upgrading our digital capabilities, ultimately bringing us in line with other utility businesses, many of whom already have similar digital strategies in place.

The objectives of the digital strategy are to create a customer service channel that can effectively communicate to customers, industry partners and stakeholders, and be an important component of our channels to market – either facilitating connections or processing orders for gas connections.

We believe that this not only satisfies the wants of our existing customers, but may also attract new customers to the network by providing them with accessible information relating to the connection process and the benefits of natural gas.

In order to implement this strategy, we are proposing to:

- consolidate AGN’s five websites and build a technology platform that will allow us to build our digital capabilities over the next five plus years;
- enable web-based enquiries (including real time) and transactions;
- digitise key internal processes and work with partners within the connection process to enable better communication;
- build a presence on social media channels to facilitate communications suited to each channel audience;
- facilitate timely communication with customers relating to unplanned interruptions and expected restoration times;
- develop web reporting systems; and
- enable digital campaigns.

Education and advocacy

Our stakeholder engagement program identified that there was a low level of understanding of our business and how we operate. Importantly we found that there is a desire by stakeholders to understand more. We are committed to providing all stakeholders with the information they require to make informed and efficient decisions.

Developing and distributing materials which educate and inform customers will support future engagement programs by promoting a consistent level of understanding, thus enabling stakeholders to make informed decisions about their own energy consumption and provide informed opinions about AGN’s future operations.

Education was also highlighted as a key area in which AGN could provide support to vulnerable customers. A

clear message from our stakeholders was that AGN has a role to play with respect to this group, but that we should not duplicate work that is already being undertaken by those who have more expertise and influence. Rather, we need to investigate and invest in ways we can support and enhance these existing programs.

In order to promote increased education and advocacy, over the next regulatory period we are committed to:

- developing educational materials and distributing to the general community (via website) including, but not limited to, information on our environmental commitments, our leak response times (and leak management more generally) and how gas prices are set;
- liaising with consumer advocacy groups, retailers and other external parties to better understand and support hardship and community programs;
- developing and implementing a vulnerable customer strategy;
- supporting consumer advocacy groups by developing the education materials they require to inform their constituents; and
- advocating for policy and regulatory changes to, for example, ensure there are appropriate levels of support for vulnerable customers.

Tell us what you think

What would you like to hear more from AGN on?

What is your preferred communication channel?

What would you like to see in our vulnerable customer strategy?

“Customers generally prefer digital channels for greater accessibility and convenience.”

Deloitte Stakeholder Insights report

“A key takeaway from this engagement program is that customers require a significant level of education to make an informed decision...”

Deloitte Stakeholder Insights report

Maintain reliability and service

Stakeholders value our high reliability and want us to keep providing the same (as a minimum) service levels – if we don't, we should compensate those impacted.

What we heard from our stakeholders

- Customers view gas as a reliable source of energy
- Customers are generally satisfied with AGN's service and response times
- Customers support the concept of a GSL scheme that compensates gas dependent customers where service is below agreed 'standards'

We're listening...

We value our record of delivering safe and reliable gas supply to South Australian businesses and households, and therefore pride ourselves on ensuring we are employing best practice asset management strategies.

Our customers have told us that they view gas as a reliable source of energy, in particular when compared with electricity. Although the nature of underground infrastructure protects our network from many of the issues that affect electricity reliability, the maintenance of the standards requires careful planning.

Where necessary, AGN undertakes investments to maintain our current levels of reliability. For example, augmenting the network where gas supply pressures are inadequate and replacing assets at the end of their useful life.

These projects are developed by a team of engineers, reviewed by the executive management team and in some cases external advisors, to ensure they are prudent, efficient and in the long term interests of consumers.

Additionally, it is the responsibility of the South Australian Office of the Technical Regulator (OTR) to ensure that AGN's work programs maintain the safety of the network and of the consumers and public.

Key to maintaining our levels of reliability and safety is our ongoing **mains replacement program** supported by projects which are key to **monitoring, identifying and rectifying** certain segments of our network.

In addition to maintaining reliability we also understand that our customers have expectations with respect to our customer service levels.

Our customers told us that they are satisfied with our current level of service, with over 80% of respondents in our stakeholder engagement program who had interacted with AGN in the last 12 months rating our service as good or very good.

Unlike with other utilities, gas consumers generally have little direct contact with gas distributors, however where this does occur, we will seek to (at least) maintain this level of satisfaction (for example with respect to **leak response times** and our **telephone responsiveness**).

Whilst customers told us they were satisfied with our current customer and network service levels, they also expressed that the relatively few customers who did experience poor service should be compensated.

Over the upcoming AA period we are committed to further investigating the implementation of a **compensation scheme** that better meets customer expectations.

Consistent with the views of stakeholders, the majority of our expenditure will be directed at maintaining reliably, service and safety. More specifically, over the upcoming regulatory period, we are proposing to invest around 95% of our total expenditure, or approximately \$1 billion, in activities to maintain our current service levels. The approximate breakdown of this expenditure is as follows:

- 39% is attributable to our mains replacement program;
- 35% is attributable to maintaining our base operating expenditure (costs associated with the continuation of recurrent operating activities); and
- 12% is attributable to network growth (i.e. new mains, inlets etc); and

The remaining 14% is attributable to maintaining current customer service and safety levels through a series of specific projects.

Over 80% of respondents in our stakeholder engagement program who had interacted with AGN in the last 12 months rated our service as good or very good.

Mains replacement program

Our mains (or pipe) replacement program seeks to replace over 1,000 kilometres of pipe during the upcoming regulatory period. This program is the result of detailed engineering and risk analysis to determine the required rate of asset replacement to maintain safety.

Our proposed mains replacement program has three key elements:

1. the completion of the current program to replace all cast iron and unprotected steel mains by 2020/21, which is consistent with plans previously approved by both the AER and the South Australian OTR;
2. the replacement of our oldest polyethylene (PE) pipes due to age and associated brittleness; and
3. the replacement of certain sections of the network containing PE pipe based on an engineering risk assessment.

This program is in line with feedback from our customers that we should be maintaining our level of safety and reliability. While our customers went further by saying that we should take the opportunity to further strengthen our network during a period where we are not forecasting a price increase, we believe the work programs being undertaken will provide adequate network “strength” as envisaged by our customers.

In addition to reliability and safety, a further benefit of the pipe replacement program, is the benefit to environmental sustainability through the reduction of gas leakage in the network. For example, gas losses have decreased by around 25% over the current regulatory period, which is largely due to our mains replacement program.

The mains replacement program has a further benefit of supporting future network growth by increasing network pressure.

Monitor, identify and rectify

Over the upcoming regulatory period we intend to undertake numerous projects to monitor, and where necessary, rectify network safety concerns. The key projects include, but are not limited to the:

- detection and repair of pipe defects;
- installation of over pressure shut off valves in the network; and the
- replacement of underground regulator installations that have reached the end of their life.

Leak response times

While consumers rarely lose gas supply, the nature of pipe materials and construction means that gas leaks do occur. We operate a 24 hour emergency response call centre, and are committed to responding to 95% of all reported gas leaks within two hours.

We understand from customers that they are generally satisfied with this response level, but would like to understand how we work through our leak calls so they could be assured that the most serious leaks are attended to with priority.

Additionally, whilst there was a general level of satisfaction with the current response times (and no desire for us to decrease our response rate) there was some consideration by customers with respect to investigating options for improving response times in those cases that fall materially below the average response time.

We therefore propose to:

- publicise information concerning our leak response procedures (as part of our [education and advocacy work](#)); and
- investigate options for improving leak response times in instances where the response would otherwise be materially below the targeted response time.

Our proposed mains replacement program is in line with feedback from our customers that we should be maintaining our level of safety and reliability.

Telephone responsiveness

Our other major source of interaction with customers is when we provide more general information services, such as gas availability and new connection information.

Our customers have told us that they would like to see an increase in the use of digital channels to do this (consistent with our [digital strategy](#) on page 16), although still value the current service we provide in our customer service call centre.

This call centre (which excludes calls related to leaks and emergencies) currently operates between the hours of 8:00am and 5:30pm, with a response rate of answering 95% of all calls within 5 minutes. Our customers have told us that this is an appropriate service level for the nature of enquires received. We will therefore be proposing to maintain this level of service over the upcoming regulatory period.

Compensation (Guaranteed Service Level) scheme

Customers also expressed concern that poor service may have a greater impact on certain segments of our customer base than others. For example, a business with a high dependency on gas that is without gas for a day (or more) may suffer a far greater inconvenience and/or financial loss than a residential home, which may only rely on gas for cooking or heating.

While AGN currently provides compensation to customers on an informal basis, we raised the prospect of introducing a formal scheme in South Australia, similar to the scheme operating in Victoria. In response, customers were generally supportive of introducing a compensation scheme for those that experience service below agreed

levels, although some noted that given our high levels of reliability such a scheme was not necessary..

We propose to undertake further research with respect to the types and levels of service that should be measured, with a view to designing an appropriate scheme with key stakeholders, including ESCOSA, for future regulatory periods. This in part reflects that improved information to inform a compensation scheme will become available over the next regulatory period.

Tell us what you think

Are you happy with AGN's current leak response and telephone response times?

Would you like to see AGN implement a compensation or GSL scheme in the future?

“I’d be jumping for joy if I only had to wait on the phone for five minutes to anybody these days.”

South Australian regional workshop participant

“I would do [support a GSL scheme] it if I thought there would be problems but the service is so good that it hardly ever happens.”

South Australian regional workshop participant

Improve the network

Stakeholders want us to explore ways that service can be improved, particularly as it relates to network safety.

What we heard from our stakeholders

- Customers consider the local economy when evaluating alternatives
- Customers value initiatives that improve community safety across the network
- Customers are less supportive of initiatives affecting individuals when network assets are within their control
- Customers support expanding and improving the network where there is a clear benefit to residents and business

We're listening...

We understand that safety is a key consideration for our stakeholders. As described throughout this document, we are committed to maintaining the safety and reliability of our network and operating and pricing our services efficiently.

Although network improvements require an initial investment, they ultimately add to the value, efficiency and/or safety of the assets.

From our stakeholder engagement program, we understand that our customers are supportive of AGN looking at ways to improve the network, and are particularly interested in improvements to network safety.

When considering works to improve our network, our first step is to ensure that implementing these projects is appropriate, that is, the project is prudent and efficient.

If projects are prudent and efficient, we have then further tested the project to ensure it is consistent with customer values and, in some cases we can test if customers would be willing to pay for the project.

The results of this engagement will be transparently reported and may result in changes to the proposed initiative, to the development of new initiatives or the removal of some initiatives from consideration.

For the upcoming regulatory period in South Australia we are proposing to undertake several projects to improve our networks.

Some initiatives look to increase safety to the general community and to our staff, such as **installing fire shut-off valves** on residential meters (particularly in bushfire areas), **reducing risk from assets on private property**, undertaking **gas meter relocation** in circumstances that pose a safety risk and implementing a targeted roll-out of **remote meter reading** devices.

Other initiatives relate to network innovation and efficiency such as the **coordination of capital works**, offering a new provision to **repair leaks in customer outlet services** and investing in studies to **test expansion opportunities**.

Our estimated investment in these “improve” initiatives is approximately \$45 million over the upcoming five-year regulatory period (1 July 2016 through 30 June 2021).

This represents approximately 4% of our total expenditure over the period.

The primary contributors to expenditure include the fire shut off valve initiative and the repair leaks in customer service outlet initiative, which together contribute close to 60% of the total “improve” expenditure. Other contributors include:

- reducing risk from assets on private property (16%);
- remote meter reading (8%);
- gas meter relocation (6%);
- the coordination of capital works (2%); and
- testing expansion opportunities (1%).

Remaining expenditure is earmarked for a series of smaller projects to improve network safety and reliability.

Installing fire shut off valves

South Australia is subject to somewhat extreme weather that can unfortunately lead to bushfires (as occurred most recently in Adelaide in January of this year). South Australian’s are therefore conscious of how network assets interact with the environment in these instances. Recent technological improvements allow us to secure our network assets in a manner than can help prevent the spread of fire.

The fitting of a thermally activated shut-off valve to the gas meter installation means that, in the event of a bushfire, the supply of gas is shut off at the meter, preventing gas igniting from the meter once it overheats from fire conditions. This can prevent the spread of fire.

Customers have told us they are supportive of us retrofitting these valves to homes in bushfire zones. This is a continuation of work that is currently underway in this regulatory period.

House fires can also occur outside bushfire zones. As such, we consider that all homes could benefit from the use of this technology. We are therefore proposing to fit fire shut-off valves to homes whenever we install a new or replacement meter over the upcoming regulatory period.

This initiative will help improve network safety. It also has the support of the customers we tested at the workshop.

Reducing risk from assets on private property

Aging assets tend to have higher failure rates that contribute to an increase in safety risk. Feedback from our stakeholder engagement program is consistent with our plans to actively monitor these assets, and where appropriate, replace those assets that pose safety risks – even if they are located on private property.

Specifically, over the upcoming regulatory period, we will implement the following programs:

- Replace identified instances of above ground plastic (PE) pipe and fittings. These assets pose an increased risk of failure as a result of exposure to weather conditions.
- Rectify meters and associated underground services under or inside commercial and residential buildings that pose a safety risk due to potential gas leakage. Currently the responsibility is with the customer to rectify, however the associated cost may make it prohibitive and the customer may have inherited the

issue. Customers tested were supportive of AGN taking responsibility for the work in order to ensure safety concerns are dealt with promptly and appropriately.

Gas meter relocation

Although our customers are supportive of us finding ways to improve safety and increase our levels of service, there is a general sentiment that they too have a responsibility when interacting with our network.

For example, when we tested with customers if they thought we should take responsibility for moving gas meters that were in an unsafe location (likely due to renovations which have changed the property layout) and spread the cost amongst all customers, they told us that it should be the responsibility of the individual.

Although we value customer feedback, in this instance we believe, when balancing safety concerns with price implications, it is still prudent for us to move those meters that pose a safety risk, regardless of whether the individual property has created the unsafe conditions.

This project will result in increased community safety as well as network efficiency, as it decreases the likelihood of a leak caused by meter damage and it makes the meter more accessible for our meter readers.

Remote meter reading

Our business faces a continued challenge with respect to meter reading. Whilst we are able to access the majority of meters, in some circumstances we are unable to do so or unable to do so safely. This often occurs when customers lock their premises, if there are unrestrained

dogs on the premises, or where aggressive customers prevent entry.

This results in our meter readers needing to make continued visits to the property, or in extreme cases requiring a police escort. This is inefficient and increases the cost to all customers.

One way to rectify this problem is to install remote meter reading devices to meters, so our staff can read the meter without entering the property. We note that such a device would also be attractive to some customers who have safety concerns with respect to strangers on their property or having to provide keys to a utility to access their property.

With a view to increasing efficiency and rectifying this problem, during our engagement program we tested with stakeholders if they would be willing to pay for us to roll out remote meter reading devices to “problem” meters and to all new and replacement meters. This initiative was only supported by approximately 44% of those tested.

Customer feedback was that those customers who do not provide access to their property for meter reading purposes should bear any costs associated with the installation of remote meter reading.

Having regard for customer feedback, we are not proposing to install these devices to all new and replacement meters (as proposed in our engagement program). However, we are of the opinion that it is important to the safety of our meter readers and to the overall network efficiency to trial installation of these devices to targeted areas where there have been repeated issues.

We will use the outcome of this trial to inform us of the costs and benefits of this technology. If the technology

proves successful, one outcome of this may be, for instance, that customers who require this technology pay an annual surcharge in future regulatory periods.

Coordination of capital works

We heard from our Reference Group that a key source of frustration was when capital work programs – such as our mains replacement program – was not coordinated with other works being undertaken by other utilities and councils. Continued digging up of roads and footpaths is inefficient and also inconvenient to the community.

Whilst we have always attempted to coordinate our activities, this feedback highlighted that current coordination levels between utilities is not sufficient.

Over the upcoming regulatory period we are planning to increase resourcing to have a dedicated point of contact to better coordinate our internal work programs and those programs undertaken by other organisations.

This will increase efficiency and was supported by customers during our workshops.

Repair leaks in customer outlet services

Over the upcoming regulatory period, we are proposing to initiate a new service whereby we take responsibility for repairing leaks that we may discover in a customer's outlet service pipe.

Historically, these leaks have been the responsibility of the customer, as the customer outlet service is on their own property.

In the instance a leak is found – for example when a meter is replaced – under the South Australian Gas Act and

Regulations, AGN is required to turn off gas supply to the house. Customers then arrive home to find they have no gas and it is up to them to organise a gas fitter to find and repair the leak. This is often after hours and inevitably leads to the customer having no gas supply for a period of time and an unexpected bill.

In some cases leaks can be hard to find and customers are left with a large bill. If they are unable to pay this bill, they may be left without gas. In other cases, we are aware that gas supply has been reinstated by a plumber or resident without the leak being repaired – which causes obvious safety concerns.

In light of these safety concerns and in order to increase customer satisfaction, over the upcoming AA period, AGN will increase resources in order to repair these leaks. This initiative was supported by those customers tested at the workshops.

Testing expansion opportunities

The South Australian network consists of around 8,000 kilometres of pipe, serving approximately 425,000 customers. Whilst we would like all South Australian's to have access to natural gas, the reality is our network does not currently span across all the state.

We understand that this is a source of frustration for some members of the community.

Under the National Gas Rules, however, we can only expand our network when the increase in revenue from the additional consumers will exceed the cost of expanding the network.

Increasing our customer base is beneficial not only to our business, but also to all existing customers, as it means

our fixed costs are spread over a larger customer base, thereby resulting in a reduction in the cost to serve existing customers.

Customers are generally supportive of us expanding the network; in particular our business customers understand the correlating price reductions associated with spreading network charges across a larger customer base.

However, they want us to do adequate and targeted studies to ensure that we are considering realistic expansion opportunities and are spending funds in the right areas.

Consequently we are proposing to undertake a feasibility study into two potential regions for network expansion in South Australia. If successful, the expansions would follow the successful expansion of the gas distribution network to Tanunda and McLaren Vale in the current regulatory period.

Tell us what you think

Do you support the installation of fire shut off valves?

Should we continue to focus on reducing risk from assets on private property?

Would you like to see us invest in more research and development to investigate new technologies such as smart meters (i.e. meters which would allow customers and AGN with real time information on their consumption)?

Are there areas where you think we should consider expanding our network to?

Efficient price and operational outcomes

Stakeholders are concerned with rising costs in general and they want AGN to promote efficient price outcomes for consumers of natural gas.

What we heard from stakeholders

- Customers are concerned about rising energy costs and control over their bill
- Customers are more concerned with the overall price of gas than the tariff structure
- Customers believe everyone should pay the same regardless of where they are on the network

We're listening...

AGN is aware of the cost pressures facing South Australians. We are committed to working with customers to ensure that we set efficient tariffs that reflect the cost of maintaining and operating a safe and reliable network.

We are obliged by the National Gas Rules to implement efficient tariff structures. Given the importance of price to our customers, we engaged with them to better understand their preferences with regards to price.

Customers told us that the overall price is most important as opposed to the weighting between the fixed and variable charge. We are listening to stakeholders and committed to the **efficient operation** of our network.

Whilst the weighting between fixed and variable tariff component was not the primary concern for our

customers, it was a key area of discussion. Some customers noted that they like the certainty of a higher fixed cost whilst others preferred the control they would have if the tariff was weighted to the variable charge. We are committed to continuing to **investigate tariff design** to ensure they reflect our customer's preferences.

One thing that stakeholders consistently told us was that there should be **one tariff structure** for all South Australians – this is something we have taken into consideration with respect to our tariff design for the next regulatory period.

Efficient operations

AGN recognises that it is in our best interests to operate our network in a safe and efficient manner in order to maintain and grow our customer base.

The operational projects we plan to implement are either a function of maintaining the safety and reliability of our network or improving the network to better align with customer values.

This commitment has underpinned our proposal for the upcoming regulatory period and will underpin our future business plans.

Furthermore, the ability of our customers to provide informed opinions with respect our planned initiatives will be enhanced and supported by our education and advocacy initiative.

Investigate tariff design

Our volume (residential and commercial) tariffs have a fixed and variable charge. During our consultation, customers did not indicate a clear preference towards being more heavily weighted towards either component; some preferred the certainty associated with a higher fixed component whilst others preferred the control associated with a higher variable component.

Over the upcoming regulatory period, we are committed to further engagement with stakeholders to better understand their preference with respect to the design of our tariffs.

Given the uncertainty, our current plans are to implement a tariff structure that is consistent with that currently in place.

“The bottom line is what counts. It depends on how much you use.”

South Australian regional workshop participant

One tariff structure

During our engagement process stakeholders were clear that we need to be fair with respect to our tariff structure – they thought we should have one set of tariffs for all residential and small business customers, regardless of their location on the network and their financial position.

During the program we asked our customers if we should have different charges for residential and small business users depending on their location within our network – i.e. a lower cost for those located closer to areas where gas is injected into our network (reflecting the shorter distance needed to transport the gas) and a higher cost for those located further away.

Customers told us they didn't think this was fair and that it wouldn't help grow the network.

We also tested with stakeholders (customers, consumer advocacy groups and retailers) what our role with respect to vulnerable customers should be and if we should consider implementing a “vulnerable customer” or “hardship” tariff. Key points raised include:

- implementing a hardship tariff would cost all other customers and the resultant increases may actually push additional people in to hardship.
- there are already numerous programs dedicated to supporting vulnerable customers. Implementing another scheme could add confusion, and may undermine other activities.

We have listened to our stakeholders and over the upcoming regulatory period, will not implement residential and small business locational-based tariffs or a vulnerable customer tariff. It is noteworthy that whilst we do not intend to implement a vulnerable customer tariff, we

remain committed to assisting vulnerable customers in other ways, as per our [education and advocacy](#) initiative.

In summary, over the next regulatory period, we plan to implement a similar tariff structure to that currently in place in South Australia. That is, separate tariffs for residential and small to medium sized businesses which will apply equally across the state, other than for those customers connected to the recently constructed gas distribution network in Tanunda. The tariff structure for larger commercial and industrial users will continue based on each customer's maximum daily quantity of demand and the customer's location on the gas distribution network.

Tell us what you think

Do you agree that we should have one tariff structure for all residential and small business customers in South Australia?

Do you have a preference towards the weighting of your tariff between the fixed and variable component?

“You're not going to expand in those areas if people know they're going to be charged more.”

South Australian metropolitan business workshop participant

Implications for customers

AGN is committed to understanding our stakeholder’s values and operating our networks in a manner that is consistent with their long term interests. The overarching implications of our engagement program and our proposed initiatives are operations that are consistent with the values of our stakeholders: **include, maintain, improve** and **efficient**.

We understand that our expenditure is very important to our customers as it impacts the price they pay for natural gas. Natural gas is a fuel of choice, so there is a strong incentive for AGN to keep prices low and service high, in order to attract new and retain existing customers.

Our current (February 2015) estimate is that over the upcoming regulatory period (1 July 2016 through 30 June 2021) we will incur total (operating and capital) expenditure of just over \$1 billion (in current dollar terms). This represents an increase of approximately 15% from our approved expenditure over the current (1 July 2011 through 30 June 2016) period.

Maintaining the current safety, reliability and customer service levels provided by our business is of upmost importance to us, our customers and the community. Our proposed investment reflects this, with the vast majority of our total expenditure related to maintaining our service levels as detailed in Figure 6.

During our engagement program in December 2014, we asked customers to consider their investment priorities having consideration for an estimated retail gas price forecast of a \$50 saving per annum for residents and approximately \$35 per annum savings for small businesses compared to current prices over the upcoming regulatory period. This saving included all the “maintain” initiatives described in this paper.

It was explained that this was an estimate for an average customer, based on current market conditions and that the total cost of the “include” and “improve” investments we were asking them to consider was less than \$20 per annum.⁸ Importantly, we explained that these cost estimates were in current dollar terms (i.e. excluded the impact of inflation).

The energy market is dynamic, so our modelling is continually being updated. Bearing this in mind, our current modelling indicates that, having regard for the proposed initiatives explained in this paper, updated market parameters and independent advice on the price of other components of the natural gas supply chain, we expect retail gas bills to remain constant (in current dollar terms) over the upcoming regulatory period.

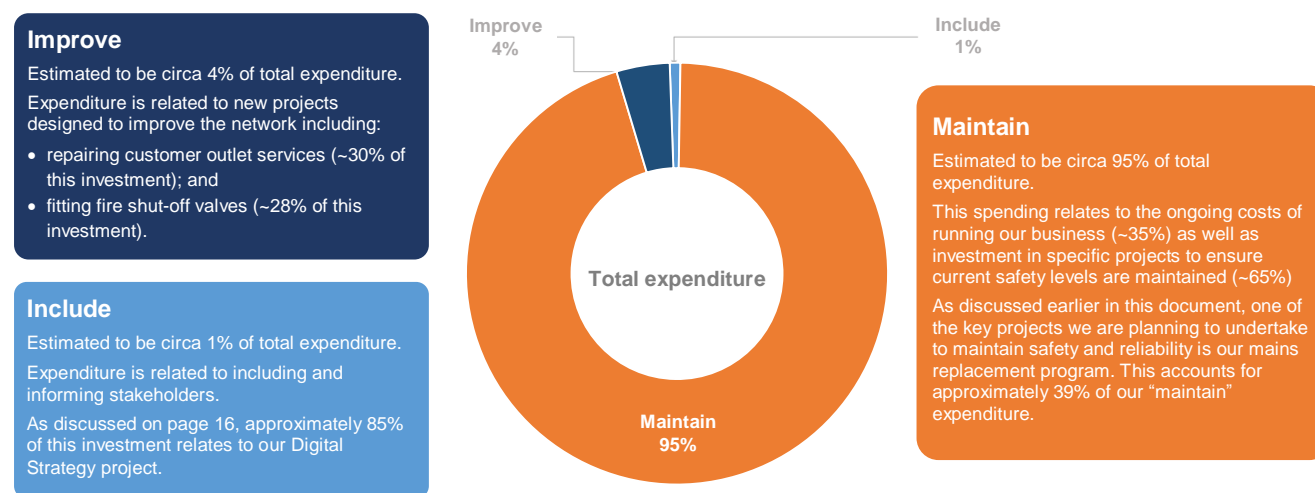


Figure 6: Estimates of proposed total expenditure in South Australia over the upcoming regulatory period

⁸ As described earlier in this report, Core Energy Group was engaged by AGN to provide best estimate forecasts for an average customer.

Next steps

As a valued member of the South Australian gas stakeholder community we want your feedback on our *Insights and Implementation* document in relation to our engagement program and implementation of the insights in our AA proposal for the South Australian network.

Stakeholder feedback on this document will be publicly available at our stakeholder engagement website *Have your say...we listen* (refer to the page at: stakeholders.agnl.com.au) until 1 July 2016.

Make a submission

Send us your response to the *Tell us what you think* questions throughout this document or comment on any other matters relating to our networks.

If you are providing feedback on a specific question or topic please indicate which question or part of the document you are referring to.

Due date

Submissions close 5 pm ACST, Thursday 26 March 2015.

How to send us your submission

Website

Submit your feedback via our stakeholder engagement website at stakeholders.agnl.com.au/contact-us/contact-us/feedback-and-enquires

Email

Email your feedback to haveyoursay@agnl.com.au

Post

Post hard copy submissions to:

Kristin Raman
Manager – Regulatory Policy
Insights and Implementation
Australian Gas Networks
Level 10, 81 Flinders Street
Adelaide SA 5000

Your consent

By making a submission you consent to AGN using the feedback you provide on our website, and in business planning and reports or other documents published by AGN including our AA proposal. These reports and documents may also be published on other websites.

Your consent will continue until you inform us that you want to withdraw it. If you withdraw consent after we have 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 (for example 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.

Confidentiality

You may indicate in writing at the time of your submission that you prefer all or any part to be treated as confidential.

Where a submission contains only some confidential or commercially sensitive information, you may consider providing a public version of the submission with a clear indication of where the confidential information is included.

The AER's Confidentiality Guideline provides guidance on how it treats confidentiality claims, including those contained in regulatory proposals. It seeks to balance commercial confidentiality with disclosing information to create an open and transparent regulatory environment.

Privacy

We are committed to protecting the privacy of any personal information we collect from you. Unless you give us your consent to do otherwise, we will only collect, use and disclose your personal information in accordance with our privacy policy available at: stakeholders.agnl.com.au/privacy-statement.

Glossary

AA	Access Arrangement
AAI	Access Arrangement Information
AA proposal	AGN's submission to the AER, consisting of a revised AA proposal, AAI and other supporting documents
ACST	Australian Central Standard Time
AER	Australian Energy Regulator
AGN	Australian Gas Networks
APA	APA Asset Management/APA Group
ASX	Australian Securities Exchange
Current regulatory period	Five year period from 1 July 2011 through 30 June 2016
ESCOSA	Essential Services Commission of South Australia
GSL	Guaranteed Service Level
MTFP	Multilateral Total Factor Productivity Measure
OTR	Office of the Technical Regulator
PE	Polyethylene
Total expenditure	Capital and operating expenditure
Upcoming regulatory period	Five year period from 1 July 2016 through 30 June 2021

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More information

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