

# Attachment 3.7

Australian Gas Networks  
Stakeholder Workshop Presentation

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

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## Stakeholder Engagement Workshop

4 December 2014

# 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.agnl.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 contact the AGN Regulation team at any time.

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

Please note if your name is used in any written form in connection with a range of stakeholders (eg an industry or community group) it 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 Those details will not be published or disclosed without your consent.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 the right to use the material on its website, social media, or other digital platforms
- 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 or my image or voice recording at that time, my consent will continue to be used
- I am over the age of 18
- I am not in any way obliged to give this consent.

First and last name	
Signed	
Address	
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Email	

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Name \_\_\_\_\_

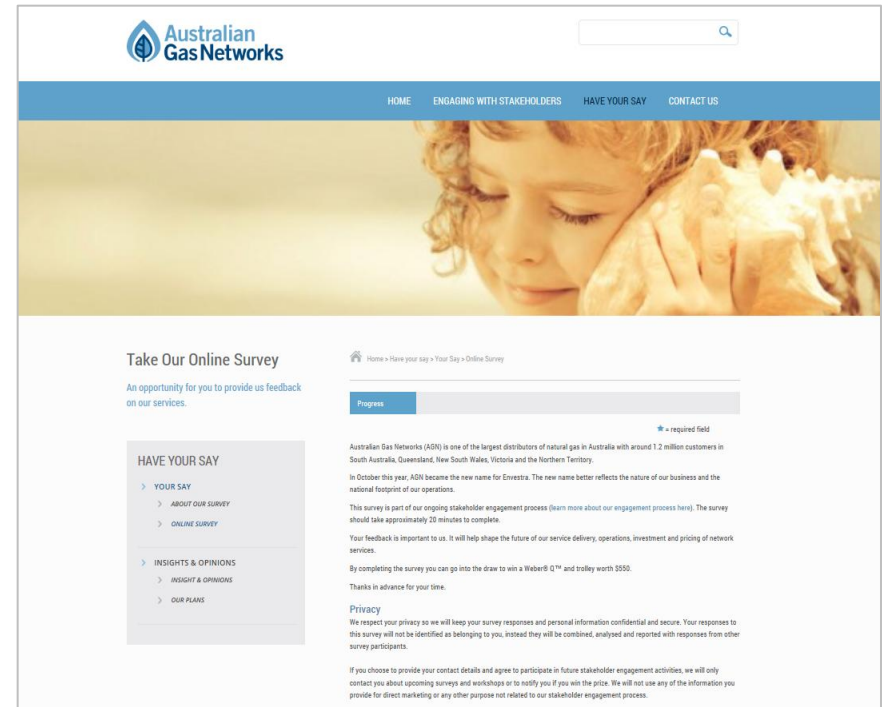
## Thinking about your last quarterly gas bill...



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?	\$	

## 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
- Online survey open 23 November through 7 December
- Report available early February 2015



The screenshot shows the Australian Gas Networks website's 'Have Your Say' survey page. At the top, there is a navigation bar with links for HOME, ENGAGING WITH STAKEHOLDERS, HAVE YOUR SAY, and CONTACT US. Below the navigation bar is a large image of a young child with curly hair, looking down thoughtfully. The main content area is titled 'Take Our Online Survey' and includes a sub-header: 'An opportunity for you to provide us feedback on our services.' On the left, there is a 'HAVE YOUR SAY' menu with options: YOUR SAY (sub-options: ABOUT OUR SURVEY, ONLINE SURVEY), INSIGHTS & OPINIONS (sub-options: INSIGHT & OPINIONS, OUR PLANS), and a 'Progress' bar. The right side of the page contains introductory text about the survey, including the company's name change to Envestra and details about the survey's purpose and prize. A 'Privacy' section is also visible at the bottom.

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

# Agenda

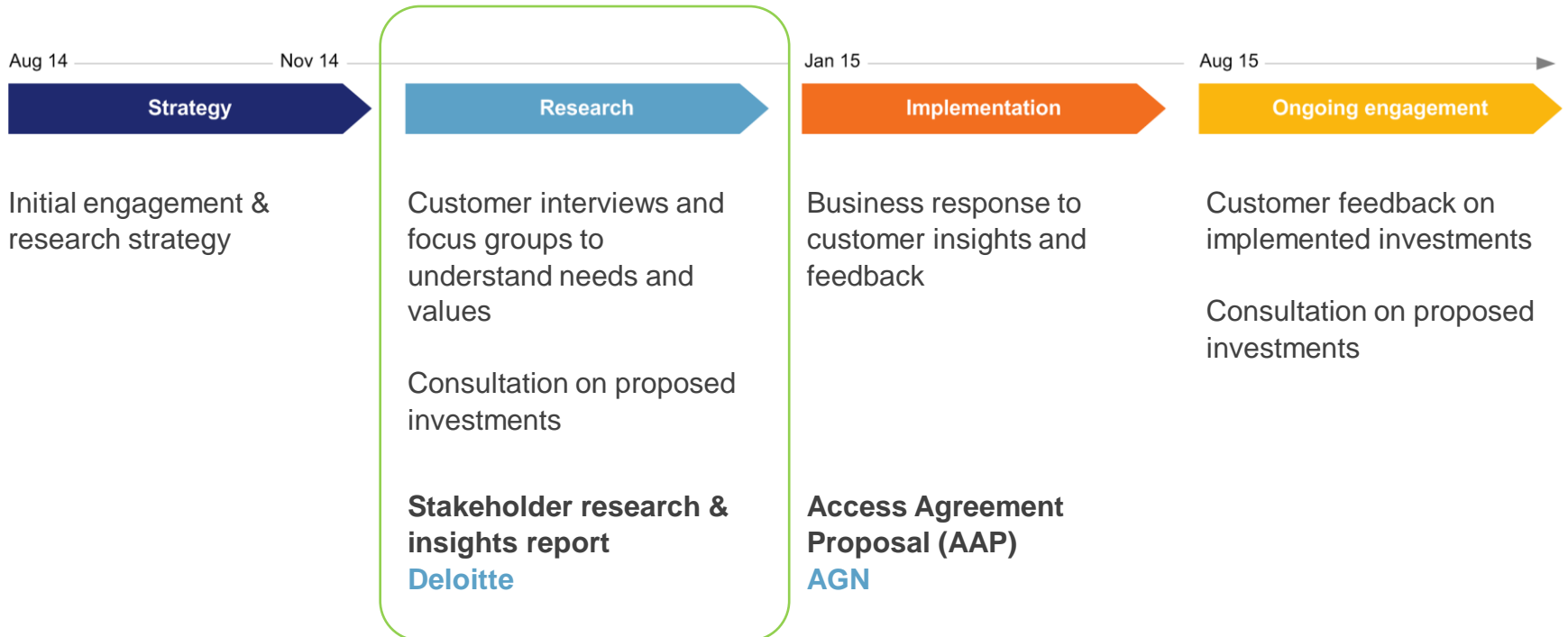
Introduction to the workshop	11:00	15
About Australian Gas Networks	11:15	15
Discussion: customer experience	11.30	30
Discussion: environmental commitments and reporting	12:00	10
<b>Break (Lunch)</b>	<b>12:10</b>	<b>15</b>
Discussion: network safety and reliability	12:25	35
<b>Coffee break</b>	<b>1:05</b>	<b>5</b>
Discussion: network safety and reliability	1:10	25
Discussion: network expansion	1:35	10
Worksheet: investment priorities	1:45	10
Discussion: access and affordability	1:55	10
Wrap up and Close	1:55	5

## Thinking about energy

- What comes to mind when you think of the energy industry?
- One idea per Post-it



# Stakeholder engagement process

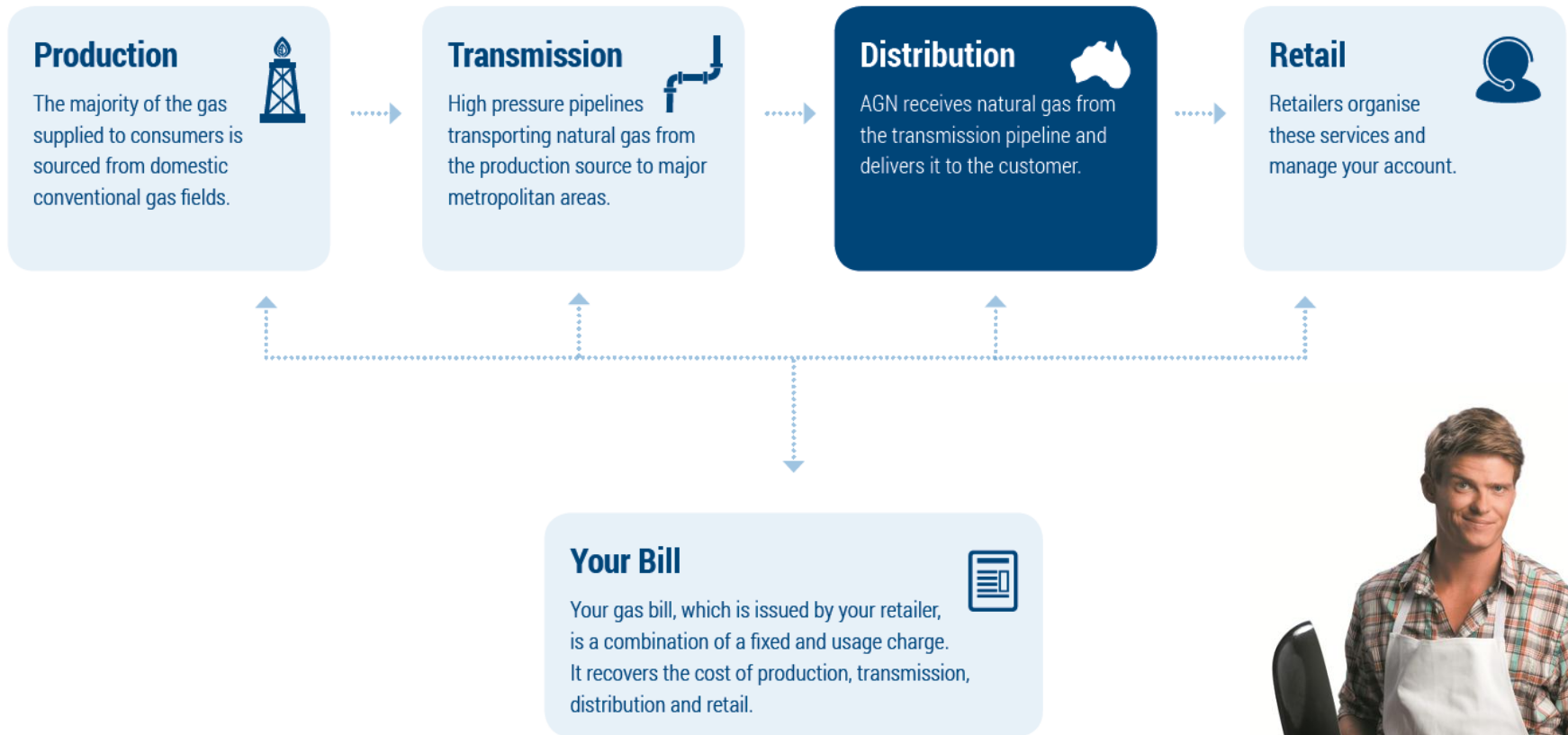




# About Australian Gas Networks

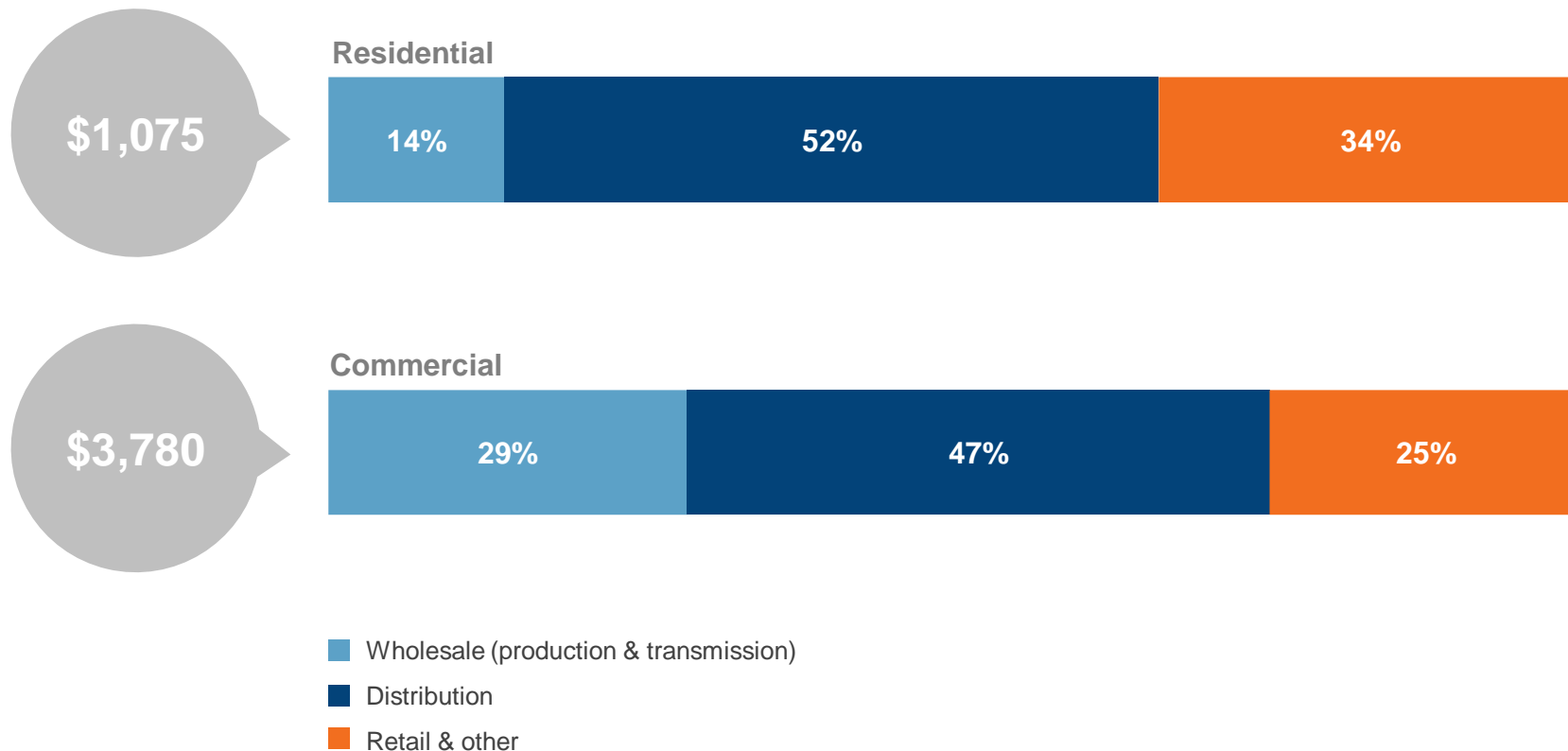
- Introduction to AGN
- Future price path

# Our role in your supply of natural gas



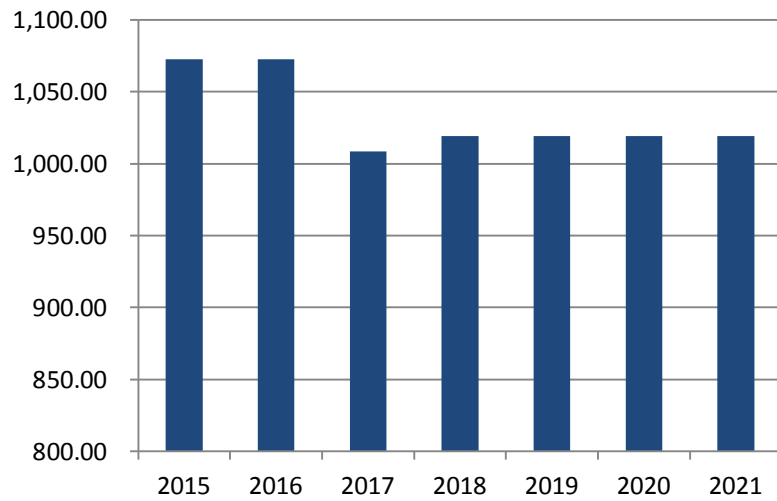
# The price you pay for natural gas

## Average annual charge – 2014/15

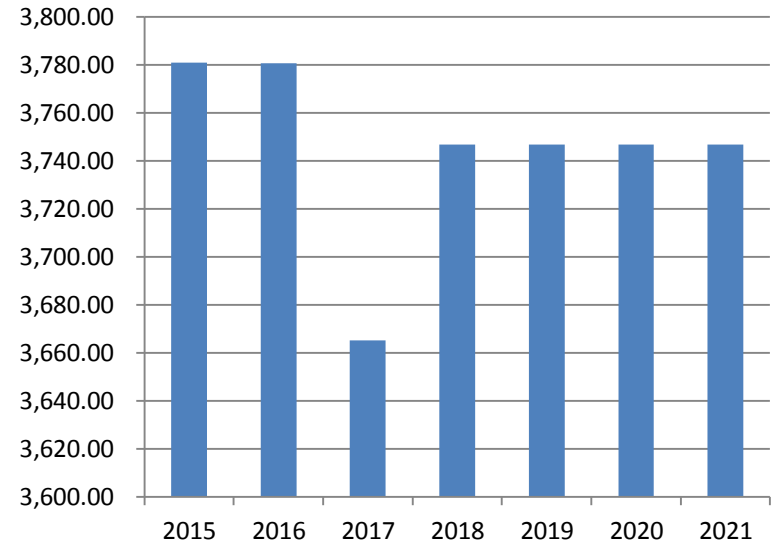


# Future price path

## Residential



## Commercial



**Customer experience**

**Environmental  
commitments and  
reporting**

**Network safety  
and reliability**

**Access and affordability**

**Network expansion and  
innovation**



# Potential investments



**Response times – gas leaks**



**Response times – phone calls**



**Guaranteed service levy (GSL) scheme**

## Responding to gas leaks

Current service level:

- 24 x 7 service
- Attend to leaks within 2 hours in 95% or more cases





## Responding to phone calls

- Hours: 8am - 5.30pm
- New connections
- Gas availability
- General enquiries
- We answer calls within 5 minutes in 95% or more cases



## Guaranteed service level (GSL) scheme

Service area	Threshold to incur GSL payment	GSL payment amount
Appointments	Failure to attend appointment within agreed appointment window: <ul style="list-style-type: none"> <li>• Customer present – 2 hours</li> <li>• Customer absent – agreed date</li> </ul>	\$50 per event
Connections	Failure to connect a customer within 1 day of agreed date	\$80 per day (max \$240 per day)
Repeat interruptions	Unplanned interruptions to a customer in a calendar year period resulting from faults in the distribution system: <ul style="list-style-type: none"> <li>• Upon 5th interruption</li> <li>• Upon 10th interruption</li> </ul>	\$150 Additional \$150
Lengthy interruptions	Gas supply interruption to a customer not restored: <ul style="list-style-type: none"> <li>• For 12 hours</li> <li>• For an additional 8 hours</li> </ul>	\$150 Additional \$150

**Customer experience**

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## Our 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.

### 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



**Customer experience**

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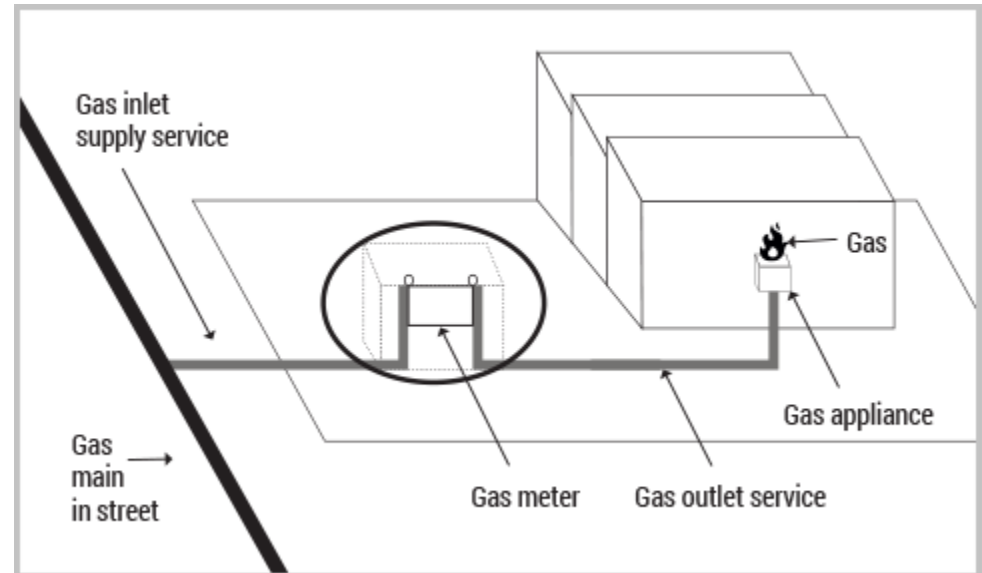
## Fire preparedness

- Fire shut-off valves stop gas flow at or near the gas meter
- Meters and regulators may melt in a bushfire
- For the past 5 years we have been fitting these valves wherever we install or replace a gas meter in bushfire areas
- This program of work could be expanded to maintain safety in all networks



## Customer outlet service leaks

- New or repaired gas connections: we test the customer owned gas service for leaks
- Customer responsible for arranging and paying for any leaks to be repaired
- Approx. 150 leaks/month found in SA
- Some customers reinstate the supply without repairing the leak
- Some customers engage their own gas fitter = delays and cost
- We could repair leaks safely for customers at minimal cost





## Coordination of capital works

- Work on our gas infrastructure causes disruption to the public
- The disruption is similar to that caused by other electricity and water distributors and councils
- By better coordinating our capital works we can minimise the disruption to you
- We could invest in a management system and staff to coordinate projects with other service providers



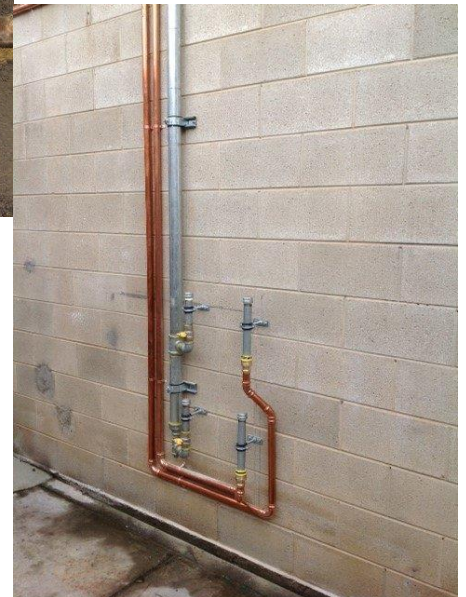
## Replacing above ground plastic pipes/fittings

- 'Poly' pipe is used underground
- Above ground poly pipe can be damaged
- "Old" plastic fittings used to connect the gas meter can fail
- We could replace instances of above ground poly pipe and old plastic fittings to maintain public safety



## Meters inside buildings and inlet services under buildings

- 1960s - 1970s: common practice to install commercial gas meters inside buildings and underground
- Meters and associated underground services pose a risk of gas escaping under or inside the buildings
- Gas inlet services installed during this period are now 40-50 years old
- Home owners (renovations) have inadvertently built over/encased gas meters and gas inlets
- Next 5 years: we plan to remove this safety risk by identifying and rectifying sites that don't comply with current Australian safety standards





## Meter relocation

- Customers are responsible for the cost of moving the gas meter due to alterations to their property
- We quote to alter the connection
- Often, customers decide not to move the meter based on cost
- Those meters are at risk of damage
- We could take responsibility for moving the meter



## Remote meter reading

- Gas meters are generally read quarterly for billing
- On many occasions meter readers are not able to physically access properties or gas meters
- In this case, an estimate is made based on historic gas consumption
- For some customers, this can and does occur multiple and successive times resulting in the need to adjust their bill
- It can result in "bill shock"
- We could install a new device to read meters remotely as we conduct our periodic meter replacement program to avoid billing adjustments



## Pipe replacement program

- Gas mains and services have an average useful life depending on the type of material used and their location
- Replacement maintains and improves safety and reliability of the distribution network
- We intend to replace approximately 200km of gas pipes and services per year to maintain safety



**Customer experience**

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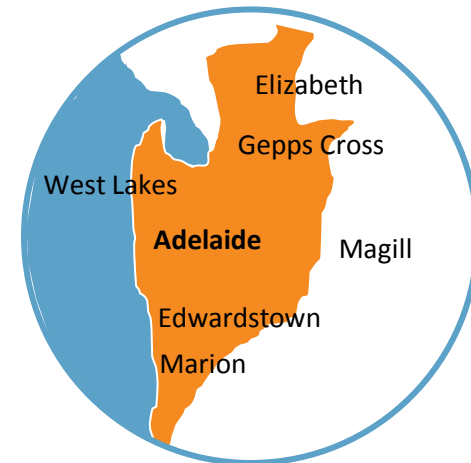
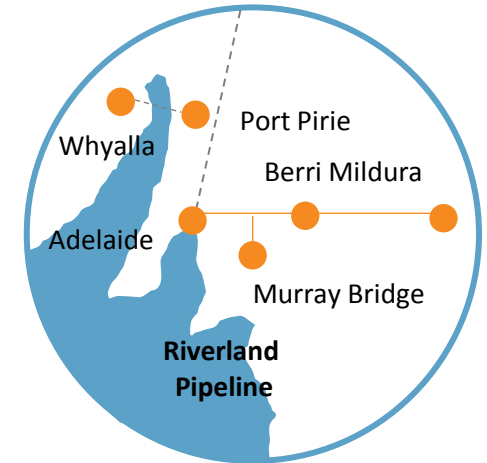
**Access and affordability**

**Network expansion and  
innovation**



## Network expansion explained

- Network expansion is considered to be positive for existing and potential customers:
  - More people get access to natural gas
  - Our costs are spread across a larger customer base
- Before we commit to expanding the network, we must show that the revenue forecast exceeds cost
- Current programs have expanded gas to Tanunda and McLaren Vale



## Technology and innovation

- Remote reading is one type of technology we are considering
- We could also invest in other state-of-art metering technologies to enable:
  - us to bill based on your actual consumption for each period
  - you to monitor and understand your gas consumption in real-time

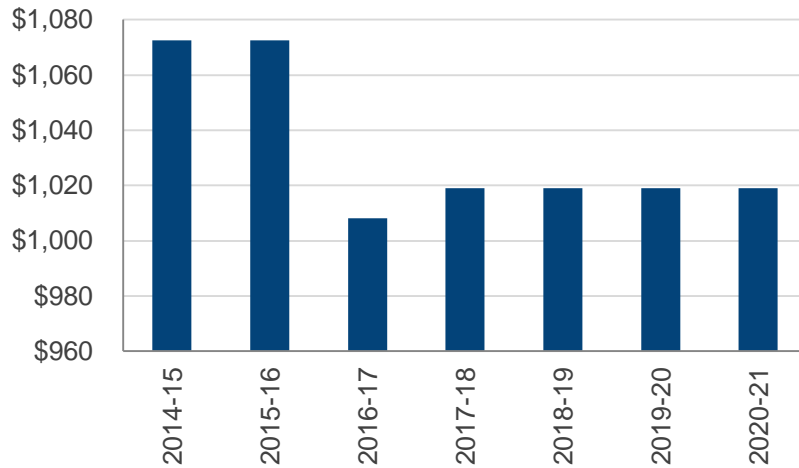


# Priorities

What investments are most important?

# Investment priorities

## Residential



Name \_\_\_\_\_

### Potential 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 (savings)	Vote (✓)	Priority
Customer experience	Responding to gas leaks: increase the average 2-hour response rate to 98% of reported gas leaks	\$1.50		
	Responding to gas leaks: decrease the average 2-hour response rate to 90% of reported gas leaks	(\$0.50)		
	Responding to phone calls: increase the average 5-minute response rate to 95% of phone calls from 7am – 10pm	\$1.00		
	Responding to phone calls: decrease the average 5-minute response rate to 90% of phone calls Monday to Friday	(\$1.00)		
Network safety and reliability	Provide a guaranteed service level (GSL) compensation scheme	\$0.50		
	Fire preparedness: retrofit fire shut-off valves to bushfire areas and all new and replacement meters	\$2.00		
	Customer outlet service leaks: safely repair all customer outlet service leaks	\$6.00		
	Coordination of capital works: improve coordination with other service providers to reduce public disruption	\$0.50		
	Replacing above ground plastic pipes/fittings: replace above ground poly pipe and "old" plastic fittings	\$0.50		
	Meters inside buildings and inlet services under buildings: rectify sites where meters are inside buildings or inlet services are under buildings to comply with Australian safety standards	\$0.20		
	Meter relocation: relocate customers' gas meters exposed to the risk of damage	\$0.50		
	Remote meter reading: install remote meter reading devices as part of AGN's meter replacement program	\$3.00		
Network expansion and innovation	Pipe replacement program: increase the mains replacement program from 200 km per year to 220 km per year	\$1.50		
	Network expansion explained: conduct a feasibility study to determine the value of network expansion	\$0.50		
<b>Total annual cost of all potential investments</b>		<b>\$17.70</b>		

**Customer experience**

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## Tariff structure

Tariffs help us recover our costs, they consist of:

- A fixed charge – \$ per annum
- A variable charge – \$ per gigajoule (GJ)
- Ancillary charges – (\$ per service and/or per hour).



## Vulnerable customer support program



**Tariff**



**Education**



**Advocacy**

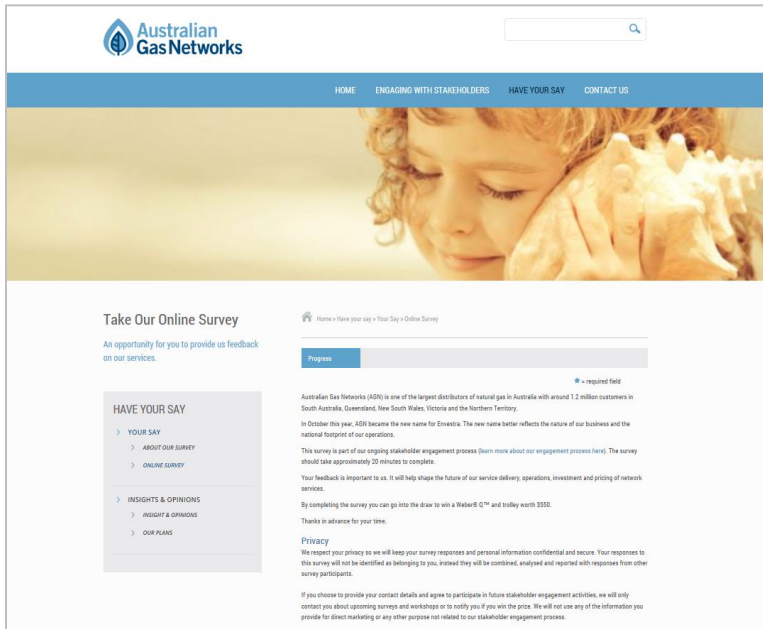




# Thanks and close

What happens next?

# Wrap up



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

## AGN 2014 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?