NEE23

**21 December 2016**

**Confidentiality claims**

On 28 October 2016, the Australian Energy Regulator (AER) served us a final access arrangement Regulatory Information Notice (RIN). Clause 21 of the RIN requires us to make claims for confidentiality over any confidential information in accordance with the requirements of the AER’s confidentiality guideline.

We have applied the rationale for claiming information as commercial-in-confidence as set out in the AER’s confidentiality guideline. In particular, we have used the categories of confidential information being:

* Information affecting the security of the network – information, which if made public, may jeopardise the security of the network or a NSP’s ability to effectively plan and operate its network.
* Market sensitive cost inputs – information such as supplier prices or information that would affect the NSP’s ability to obtain a competitive price in future infrastructure transactions, such as tender processes.
* Market intelligence – information which may provide an advantage to a NSP’s competitors for non-regulated or contestable activities.
* Strategic information – information such as the acquisition of land and easements, where the release of information might adversely impact the NSP’s ability to negotiate a fair market price for these items.
* Personal information- information about an individual or customer whose identity is apparent or can reasonably ascertained from the information which raises privacy considerations.
* Other – information a NSP claims as confidential but does not fit into any of the above categories

We confirm that less than 3% of our 2018 to 2022 Access Arrangement is confidential. This is an approximate indication of the proportion and comparative proportion of material in our Access Arrangement proposal that is subject to a claim of confidentiality compared to that which is not.

The table below sets out specific sections of our Access Arrangement proposal (including our supporting documents and associated models) that we claim to be commercial-in-confidence and the basis of the claim.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Title, page and paragraph number of document containing the confidential information** | **Description of the confidential information.** | **Topic the confidential information relates to (e.g. capex, opex, the rate of return etc.)** | **Identify the recognised confidentiality category that the confidential information falls within.** | **Provide a brief explanation of why the confidential information falls into the selected category.****If information falls within ‘other’ please provide further details on why the information should be treated as confidential.** | **Specify reasons supporting how and why detriment would be caused from disclosing the confidential information.** | **Provide any reasons supporting why the identified detriment is not outweighed by the public benefit (especially public benefits such as the effect on the long term interests of consumers).** |
| **MG\_16.1.1\_MG letter to AER re debt and equity averaging period\_07122016\_Confidential** |
| **MG\_16.1.1\_MG letter to AER re debt and equity averaging period\_07122016\_Confidential**Pages 2 and 4 | Nominated averaging periods for debt and equity | Rate of Return | Market sensitive cost inputs | Disclosure of this information could adversely affect the cost of funding the business operations. | * The information is not required by stakeholders.
* Disclosure of the periods would compromise our ability to raise debt or to engage in hedging within the averaging period on an efficient basis
 | There is no detriment to the public in treating this information as confidential that would be outweighed by the public benefit of its disclosure. This is because there is no public use for the information. |

| **Title, page and paragraph number of confidential document** | **Description of the confidential information.** | **Topic confidential information relates to** | **Recognised confidentiality category** | **Brief explanation of why the confidential information falls into the selected category.** | **Reasons for how and why detriment would be caused from disclosing the confidential information.** | **Reasons supporting why the identified detriment is not outweighed by the public benefit** |
| --- | --- | --- | --- | --- | --- | --- |
| **MG\_13.13.1.3\_MG IT Capital Plan Cost Model 2018 - 2022 FINAL\_20161102\_Confidential** |
| **MG\_13.13.1.3\_MG IT Capital Plan Cost Model 2018 - 2022 FINAL\_20161102\_Confidential** :The following Worksheets are Confidential or contain Confidential data. All fields within these worksheets containing confidential data are highlighted in Yellow:  - Parameters - IT01 to IT40 inclusive. | Confidential information is Contracted Labour rates (Commercial in confidence) and permanent staff labour Rates along with all formulae and fields that would allow these rates to be determined from the information presented. This includes individual project worksheets that calculate project estimates | Capex | *Market sensitive cost inputs* | Information includes internal labour rates and contracted labour rates. These rates are market sensitive and in the case of the contracted labour rates are Commercially confidential | Contracted rates are commercially sensitive and impact on our providers' competitive market.Internal Labour rates are similarly market sensitive |  |
| **MG\_13.13.4.5\_IT14 IT Security Program\_20161027\_Confidential** |
| **MG\_13.13.4.5\_IT14 IT Security Program\_20161027\_Confidential.**Page 5 **– 1.1 Objectives/Purpose** paragraph 5 onwards | List of Security elements that are the subject of the Program | Security | Information affecting the security of the network | If any element in this list fails then UE's Network security would be at Risk. | Exposing this list potentially indicates UE's security weaknesses to potential attack | Any attack that successfully breaches UE's security will potentially cause outages, increase safety risks and have a significant adverse impact on consumers. There is no significant benefit to consumers in identifying areas of security that require attention |
| **MG\_13.13.4.5\_IT14 IT Security Program\_20161027\_Confidential.**Page 8 **– 4. Economic Evaluation** paragraph 3 and Economic Evaluation table | High level view of the costs and benefits associated with the Program | Security | *Information affecting the security of the network* | The current risk and proposed spend on the program relate to security. | The cost and economic evaluation of the security program could be interpreted as an indicator of UE's current vulnerability and encourage attack. |  |
| **MG\_13.13.4.5\_IT14 IT Security Program\_20161027\_Confidential.**Tables in pages 9 -15 inclusive and subsequent lists of key technology on page 16 | Description of the Security projects and activities that make-up the Security Program | Security | *Information affecting the security of the network* | The confidential information describes the security activities that UE needs to undertake. | To a potential attacker(s), the detail contained in these tables could be interpreted to determine indicates UE's security vulnerability and allow the attacker to target his / her attack. |  |
| **MG\_13.13.4.5\_IT14 IT Security Program\_20161027\_Confidential.**Page 17 Project Capital Costs Page 18 Operating Cost impacts and Timeframes on pages 18 and 19 | A breakdown of the Capital and Opex costs for each Security initiative and the timing of those costs | Security | *Information affecting the security of the network* | The confidential information describes the level and nature and timing of the expenditure on security initiatives. | The breakdown of costs for each security initiative and timing could be interpreted as an indicator of UE's current vulnerability and encourage attack. |  |
| **MG\_13.13.4.5\_IT14 IT Security Program\_20161027\_Confidential.**Page 19 , Risks and Opportunities second bullet. | A statement of the risk and implication of the priorities for UE for addressing security risks | Security | *Information affecting the security of the network* | The confidential information indicates that the timeframes implementing the security initiatives are based on the risk of security incidents. | This information could be interpreted to identify UE's greatest security weaknesses. |  |
| **MG\_14.4\_ Consistency of the Victorian gas distribution businesses’ joint marketing campaign with rule 91 of the NGR** |
| Section 9 of Attachment A*Consistency of the Victorian gas distribution businesses’ joint marketing campaign with rule 91 of the NGR* | Cost information | Opex | Market sensitive cost inputs | Costing information provided by third party that is market sensitive  | Disclosure could be detrimental to our commercial dealings with third party service providers in the delivery of services as it would expose their IP or pricing to their competitors. | The information is not relevant to the public as it relates to cost inputs. |
| **MG\_13.5.1.1\_MG-PL-0005 Asset Management Plan - Confidential** |
| MG\_13.5.1.1\_MG-PL-0005 Asset Management Plan v4.1* Table 4-4
* Table 4-5
* Table 4-7
* Table 4-15
* Table 4-16
* Table 4-18
* Table 4-19
* Table 4-21
* Table 4-22
* Section 4.4.4
* Table 4-29
* Table 4-30
* Table 4-31
* Table 4-33
* Section 4.6.2
* Table 4-34
* Section 4.6.3
* Table 4-35
* Section 4.6.4
* Table 4-36
* Section 4.6.5
* Table 4-37
* Section 4.6.7
* Table 4-39
* Table 4-40
* Section 4.6.10
* Table 4-42
* Table 4-46
* Table 4-47
* Table 4-48
* Table 4-49
* Table 4-50
* Section 4.7.3**Section 4.7.3**
* Table 4-51
* Table 4-53
* Table 4-54
* Table 4-55
* Table 4-58
* Table 4-50
* Section 4.7.3 (h)
* Table 4-60
* Table 4-61
* Table 4-63
* Section 4.7.5
* Table 4-68
 | Tables / Sections contain project / program specific cost and volume references | Capex | Market sensitive cost inputs | Tables / Sections contain references to project specific cost estimates/volumes for MG’s Capex Program. Redaction is consistent with underlying network strategies. | Disclosure could be detrimental to our commercial dealings with Meter suppliers for the refurbishment of gas meters and the unit rate of purchased meters.  |  |
| **MG\_13.11.4.1\_MG-SP-0007 Small Meter Strategy - Confidential** |
| MG\_13.11.4.1\_MG-SP-0007 Small Meter Strategy v2.0: * Table 3.1
 | Expected repair / refurbish rates for small meter families | Capex  | Market sensitive cost inputs | The table provides forecast refurbishment rates of replacement and faulty meters. Could be used as “anchoring” by suppliers.  | Disclosure could be detrimental to our commercial dealings with Meter suppliers for the refurbishment of gas meters.  |  |
| MG\_13.11.4.1\_MG-SP-0007 Small Meter Strategy v2.0 * Section 4.3.6
* Table 4-4
* Table 4-6
* Section 4.5.4
* Section 5.5
* Table 4-7
* Section 4.6.4
 | Identification of repair volumes and unit rates for programs contained in the small meter program.  | Capex | Market sensitive cost inputs | The tables / sections provide forecast repair rates, and unit rates for all programs within the small meter strategy.  | Disclosure could be detrimental to our commercial dealings with Meter suppliers for the refurbishment of gas meters and the unit rate of purchased meters.  |  |
| MG\_13.11.4.1\_MG-SP-0007 Small Meter Strategy v2.0: * Section 4.6.1
 | Identification of Itron as monopoly supplier of HHU’s and MG’s intention to investigate an alternative | Capex | Strategic Information | Identification of Itron as monopoly supplier of HHU’s and MG’s intention to investigate an alternative solution will reduce MG’s ability to a fair market price. | Disclosure could be detrimental to our commercial dealings with Itron for the provision of HHU’s |  |
| MG\_13.11.4.1\_MG-SP-0007 Small Meter Strategy v2.0, * Section 5.6: Tables 5.1, 5.2 & 5.3, p. 34
 | Unit price and project breakdown for Digital metering Pilot | CAPEX | Market sensitive cost inputs | The table provides a breakdown of unit rates and cost segregation for the Digital metering program | Disclosure could be detrimental to our commercial dealings with service providers in delivering the Digital Meter Program.  |  |
| **MG\_13.11.5.1\_MG-SP-0007 Large Meter Strategy - Confidential** |
| MG\_13.11.5.1\_MG-SP-0008 Large Meter Strategy v2.0, * Table 3.2
 | Expected repair / refurbish rates for large meter families | Capex  | Market sensitive cost inputs | The table provides forecast refurbishment rates of replacement and faulty meters. Could be used as “anchoring” by suppliers.  | Disclosure could be detrimental to our commercial dealings with Meter suppliers for the refurbishment of gas meters.  |  |
| MG\_13.11.5.1\_MG-SP-0008 Large Meter Strategy v2.0* Table 4-5
* Section 5.4
* Table 4-7 (p. 23)
* Section 5.6
* Section 4.5.4
* Table 4-8
* Section 5.7
 | Identification of repair volumes and unit rates for programs contained in the large meter program. | Capex | Market sensitive cost inputs | The tables / sections provide forecast repair rates, and unit rates for all programs within the large meter strategy. | Disclosure could be detrimental to our commercial dealings with Meter suppliers for the refurbishment of gas meters and the unit rate of purchased meters.  |  |
| **MG\_13.9.3.1\_MG-SP-0010 Distribution Services Strategy - Confidential** |
| MG\_13.9.3.1\_MG-SP-0010 Distribution Services Strategy v2.0,* Section 3.2.4, part (a)
* Table 4-4
 | Renewal volume forecast for reactive service replacement | CAPEX | Market sensitive cost inputs | The paragraph & table stipulates MG’s forecast for reactive service replacement volumes. When combined with Total expenditure in Tables 4.1 or 4.4, unit rates can be derived. | Disclosure could be detrimental to our commercial dealings with service providers for provision of this work and also provide the market with MG’s current service provider unit rates.  |  |
| MG\_13.9.3.1\_MG-SP-0010 Distribution Services Strategy v2.0,* Section 4.3.2 (last paragraph)
* Table 4-5
* Section 5.2 (last paragraph)
 | Install volume for thermal activated shut-off devices (Bushfire valves) | CAPEX | Market sensitive cost inputs | The paragraph & table stipulates MG’s forecast for the installation of Install volume for thermal activated shut-off devices (Bushfire valves). When combined with Total expenditure in Tables 4.1 or 4.5, unit rates can be derived. | Disclosure could be detrimental to our commercial dealings with service providers for provision of this work and also provide the market with MG’s current service provider unit rates.  |  |
| **MG\_13.12.6.1\_MG-PL-0002 Capital Growth Plan - Confidential** |
| MG\_13.12.6.1\_MG-PL-0002 Capital Growth Plan v2.0:* Table 5.3
* Figure 5.3
* Section 5.7.2
* Table 5-4
* Section 5.7.3
* Table 5.5
* Table 5.6
* Table 6.2
 | Tables / Sections contain project specific cost references for MG’s Augmentation Program | CAPEX | Market sensitive cost inputs | Tables / Sections contain references to project specific cost estimates for MG’s Augmentation Program.  | Disclosure could be detrimental to our commercial dealings with service providers in delivery of each project / program.  |  |
| **MG\_13.14.2.1\_MG-SP-0002 SCADA Strategy - Confidential** |
| MG\_13.14.2.1\_MG-SP-0002 SCADA Strategy v2.0* Table 4.2
* Section 4.2.4
* Table 4.3
* Section 4.2.5 (Scope)
* Table 4.4
* Table 4.5
* Table 4.6
* Section 4.4.2
* Table 4.7
* Section 4.5.1
* Table 4.8
* Section 4.6
* Table 4.9
* Section 4.7.2
* Table 4.10
* Section 4.9.2
* Table 4.12
* Section 4.10.4
* Table 4.13
 | Tables / Sections contain project / program specific cost and volume references from which unit rates can be derived | CAPEX | Market Sensitive cost inputs | The referenced Tables / Sections contain project / program specific cost and volume information from which unit rates can be derive.MG’s approach is to provide total program costs (where possible) and redacting volumes.  | Disclosure could be detrimental to our commercial dealings with service providers in delivery of each project / program.  |  |
| MG\_13.14.2.1\_MG-SP-0002 SCADA Strategy v2.0* Section 4.5.2
* Section 4.9.2
* Section 4.10.2
 | Identification (by brand / model) of MG preferred products | CAPEX | Strategic Information | The referenced sections contain references to preferred service providers of products (brand and model) including:* Yokogawa Transmitters,
* Blue Point Data Loggers, and
* Seiger Searchline Gas Detectors.

Disclosure will reduce MG’s ability to negotiate a fair market price for each product. | Disclosure could be detrimental to our commercial dealing with each provider and prevent us from reaching a fair market price for their product.  |  |
| **MG\_13.15.4.1\_MG-SP-0011 Distribution Valves Strategy - Confidential** |
| MG\_13.15.4.1\_MG-SP-0011 Distribution Valves Strategy v2.0* Section 4.2.4
* Table 4.3
 | Forecast volume of HP2 syphon removal & unit rate | CAPEX | Market Sensitive cost inputs | The section / table stipulates MG’s forecast for the removal of HP2 syphons and unit rate.  | Disclosure could be detrimental to our commercial dealings with service providers in delivery of each project.  |  |
| **MG\_13.15.5.1\_MG-SP-0013 Corrosion Protection Strategy - Confidential** |
| MG\_13.15.5.1\_MG-SP-0013 Distribution Valves Strategy v2.0* Table 4.2
* Table 4.3
* Table 4.4
* Table 4.5
* Table 4.6
 | Tables contain project / program specific cost, volume and / or unit rate references  | CAPEX | Market Sensitive cost inputs | The referenced Tables contain project / program specific cost and volume information from which unit rates can be derived (or is given). MG’s approach is to provide total program costs (where possible) and redacting volumes. | Disclosure could be detrimental to our commercial dealings with service providers in delivery of each project / program.  |  |
| **MG\_13.15.7.1\_MG-SP-0015 Gas Heater Strategy - Confidential** |
| MG\_13.15.7.1\_MG-SP-0015 Gas Heater Strategy v2.0* Table 2.1
 | Table contains estimated replacement values for existing CG heaters | CAPEX | Market Sensitive cost inputs | Table contains estimated replacement values for existing CG heaters on the MG network.  | Disclosure will be detrimental to our commercial dealings with service providers In the event a heater replacement is required (not forecast), |  |
| MG\_13.15.7.1\_MG-SP-0015 Gas Heater Strategy v2.0* Section 4.2.2
* Section 4.2.4
* Table 4.2
 | Tables / Sections contain Vortex heater program volumes and unit rates.  | CAPEX | Market Sensitive cost inputs | The referenced Tables / Sections contain program volume and unit rate information. MG’s approach is to provide total program costs (where possible) and redacting volumes. | Disclosure could be detrimental to our commercial dealings with service providers in delivery of the program.  |  |
| MG\_13.15.7.1\_MG-SP-0015 Gas Heater Strategy v2.0* Figure 2-7
 | Figure contains site name of a city gate facility | CAPEX | Information affecting the security of the network | The referenced Figure identifies the heater type at a particular City Gate facility. | Identification of sites may result in a potential security threat for each location |  |
| **MG\_13.15.6.1\_MG-SP-0014 Equipment Enclosure Strategy - Confidential** |
| MG\_13.15.6.1\_MG-SP-0014 Equipment Enclosure Strategy v2.0* Section 2.2
* Section 4.2.2
* Table 4.2
* Sections 5.2.1 to 5.2.11 (including figures)
 | Section / Tables contains reference to MG regulating sites that require enclosure / building upgrade works | CAPEX | Information affecting the security of the network  | The referenced Tables / Sections detail MG regulating stations enclosures where required works have been identified.  | Identification of sites may result in a potential security threat for each location.  |  |
| MG\_13.15.6.1\_MG-SP-0014 Equipment Enclosure Strategy v2.0* Table 4.2
 | Tables 4.2 contains project specific cost references for the structural engineering rectification works program | CAPEX | Market Sensitive cost inputs | Tables 4.2 contains project specific cost references for the structural engineering rectification works program. | Disclosure will be detrimental to our commercial dealings with service providers in delivery of each project / program.  |  |
| **MG\_13.15.3.1\_MG-SP-0005 Large Consumer Regulator Strategy - Confidential** |
| MG\_13.15.3.1\_MG-SP-0005 Large Consumer Regulator Strategy v2.0* Section 4.3.1
 | Example locations of meter rooms | CAPEX | Information affecting the security of the network | Section 4.3.1 contains location details of meter rooms audited by the ESV.  | Identification of sites may result in a potential threat for each location. |  |
| MG\_13.15.3.1\_MG-SP-0005 Large Consumer Regulator Strategy v2.0* Table 4.2
 | Tables 4.2 contains volumes and costs for each regulator family to be replaced.  | CAPEX | Market Sensitive cost inputs | Tables 4.2 contains volumes and costs for each regulator family to be replacement. Unit rates can be derived from this information. MG’s approach is to provide total program costs (where possible) and redacting volumes. | Disclosure could be detrimental to our commercial dealings with service providers in delivery of the program.  |  |
| MG\_13.15.3.1\_MG-SP-0005 Large Consumer Regulator Strategy v2.0* Section 4.2.3
* Table 4.2
 | Identification (by brand / model) of MG’s preferred replacement regulator. | CAPEX | Strategic Information | Identification (by brand / model) of MG preferred replacement regulator for the Obsolete Regulator Replacement Program | Disclosure could be detrimental to our commercial dealing with each provider and prevent us from reaching a fair market price for their product.  |  |
| **MG\_13.15.8.1\_MG-SP-0001 Transmission Pipelines Strategy - Confidential** |
| MG\_13.15.8.1\_MG-SP-0001 Transmission Pipelines Strategy v2.0* Section 4.3.2
* Table 4.6
 | The Tables / Section contain volumes and cost forecasts for TP marker posts from which unit rates can be determined.  | CAPEX | Market Sensitive cost inputs | The Tables / Section contain volumes and cost forecasts for TP marker posts from which unit rates can be determined. MG’s approach is to provide total program costs (where possible) and redacting volumes. | Disclosure could be detrimental to our commercial dealings with service providers in delivery of each project / program.  |  |
| **MG\_13.15.2.1\_MG-SP-0003 Supply Regulator Strategy - Confidential** |
| MG\_13.15.2.1\_MG-SP-0003 Supply Regulator Strategy v2.0* Section 2.1.3
* Table 4.2
* Section 4.2.4
* Table 4.3
* Table 4.6
* Table 4.7
* Table 4.9
* Table 4.10
* Section 5.6
* Section 5.7
 | Identification of supply regulators by name | CAPEX | Information affecting the security of the network | Normally there is a relationship between the regulator name and its physical location. Names have been redacted but regulator number kept.  | Identification of sites may result in a potential security threat for each location. |  |
| MG\_13.15.2.1\_MG-SP-0003 Supply Regulator Strategy v2.0* Table 4.2
* Table 4.5
* Section 4.5.4
* Section 5.6
* Section 5.7
 | The Tables / Sections contain volumes, cost forecasts and / unit rates for project / programs | CAPEX | Market Sensitive cost inputs | The Tables / Sections contain volumes, cost forecasts and / unit rates for project / programs. In all cases, project costs estimates can be calculated. MG’s approach is to provide total program costs (where possible) and redacting volumes | Disclosure could be detrimental to our commercial dealings with service providers in delivery of each project / program.  |  |
| **MG\_13.9.2.1\_MG-SP-0009 Distribution Mains Strategy - Confidential** |
| MG\_13.9.2.1\_MG-SP-0009 Distribution Mains Strategy v2.0* Table 4.3
* Table 4.5
* Table 4.6
* Table 4.8
* Table 4.9
* Table 5.6
* Table 5.7
* Table 5.8
* Table 5.9
* Table 5.10
* Section 5.5.1
* Section 5.5.2
* Table 5.16
* Table 5.18
* Section 5.5.5
* Section 5.5.6
 | Tables contain unit rates of information from which unit rates can be derived | CAPEX | Market Sensitive cost inputs | Tables contain unit rates of information from which unit rates can be derived | Disclosure could be detrimental to our commercial dealings with service providers in delivery of each project / program.  |  |

**ATTACHMENT A – PROPORTION OF CONFIDENTIAL MATERIAL IN TOTAL SUBMISSION**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Submission Title**  | **Number of pages of submission that include information subject to a claim of confidentiality**  | **Number of pages of** **submission that do not include information subject to a claim of confidentiality**  | **Total number of pages of submission**  | **Percentage of pages of submission that include information subject to a claim of confidentiality**  | **Percentage of pages of submission that do not include information subject to a claim of confidentiality**  |
| Multinet Gas’ 2018 to 2022 Access Arrangement proposal, 21 December 2016  | 135 | 7,898  | 8,033 | 1.7%  | 98.3%  |

Note: This notice is an approximate indication of the proportion and comparative proportion of material in Multinet Gas’ 2018 to 2022 Access Arrangement proposal that is subject to a claim of confidentiality compared to that which is not.