

**SOUTH AUSTRALIAN FEDERATION OF RESIDENTS
AND RATEPAYERS ASSOCIATION INC (SAFRRA)
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2nd August 2019

Mr Sebastian Roberts

General Manager

Reference Service Proposal for the South Australian Distribution Network

2021 / 22 - 2025 / 26

Transmission and Gas Australian Energy Regulator

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Dear Sebastian

SAFRRA INC., SUBMISSION

**Reference Service Proposal for the South Australian Distribution Network
2021 / 22 – 2025 / 26**

SAFRRA INC. wishes to thank the Transmission and Gas Australian Energy Regulator for the opportunity to comment re: the ‘Reference Service Proposal for the South Australian Distribution Network 2021/22 -2025/ 26. June 2019.

1. Overview - SAFRRA Inc., submission of the “Reference Service Proposal for the South Australian Distribution Network 2021/ 22 – 2025 / 26”.

SAFRRA Inc., truly wishes to reinforce that most ratepayers and residents in South Australia are finding Gas prices and the associated services charges are far too high. We believe too many South Australian’s in particular low income families, self-funded retiree’s, aged pensioners, single parents and those with disabilities. We believe many of these groups of South Australian’s ability to pay gas prices on their very low incomes which are unaffordable to them. We believe the Australian Gas Infrastructure Group (AGIG) may have 2 million customers across every Australian mainland state and the Northern Territory but please in South Australia implement with compassion, hardship programs and we need greater South Australian Government funded support (concessions). The residents of South Australia in particular have seen high rises in other utility prices (electricity, water) and can no longer afford these sudden spikes (rises) in gas prices. We accept that the business, manufacturing, mining and agricultural sectors must have gas pricing that is affordable, competitive compared to the rest of Australia for all our industries to grow, expand and employ more South Australia’s throughout this State, especially in some of the depressed regional areas. We commend Australian Gas Networks green energy projects in South Australia – Hydrogen mix.

2.1 Regulatory framework - SAFRRA Inc., understands the Australian Energy Regulator (AER) regulations. We believe costs are the most important issues to the public and how these regulations effect gas prices and services to South Australians.

2.1 Regulatory framework Cont. - Keep costs down, affordable gas prices and services to residents and ratepayers in South Australia and we are one of the poorest (employment and business infrastructure) states in Australia. With regret Australian Natural Gas is foreign owned; pricing is a major issue for South Australians and all Australians especially with a monopoly business which is not in government hands. (Refer page 3).

2.2 Customer and Stakeholder Engagement - SAFFRA Inc., believes the AGIG's Draft Plan engagement with SARG and your Retailer Reference Group has been excellent and we stress SA organisations representing residential customers, vulnerable customers, older Australians, multicultural communities, business and industrial customers, builders and developers, and local government.

We hope the regulator takes on board all our concerns especially the vulnerable South Australians which are in a number of the customers groups listed above. Additional services we believe over time may be warranted but will be determined on the cost with environment and technology changes. (Refer page 3 & 4).

2.3. Services in 2016 / 17 – 2020 / 21 – SAFFRA Inc., agree with the three services shifted from non-reference to reference service: - Meter and Gas Installation Tests, Meter Refixes, and removing Meters. AGIG we believe due to costs associated with smart meters and when more customers are focused on meter services. We believe lower costs for these services will not prohibit their installation. (Refer page 4 & 5).

2.4 Proposed services for 2021 / 22 – 2025 / 26 – SAFFRA Inc., have looked at the figure 2 showing SA distribution network revenue share July 2016 – April 2019 and we believe in South Australia with urban infill and developments meter alter positions / removal may have variable service charges but are AGIG should consider them not remaining as non-reference services.

Many new developments we believe these associated costs should be spread to the whole development not just the first few customers paying major costs regarding the require meter changes, altered or removal.

With the mum's and dad's developers' urban infill on their original block of land versus a developer on a major site development. Costs need to be reduced for the customer. Yes, AGN must have a consistent approach across the market to reduce costs including special meter reading and same day services. These services require more work to be done on all the above matters regarding costs to the customer. (Refer pages 6 &7).

3. Conclusion – SAFFRA Inc. believes this Reference Service Proposal meet's the customers' needs and the new NGR requirements. The services listed as high demand, moderate demand and low demand are all very important and the low demand over time may increase to moderate demand and further environmental and technology changes which should not be treated lightly.

We believe costs to the consumer can dictate AGIG and AGN's services in South Australia. We believe AGN's working to have better efficiency regarding cost well above industry benchmarks for the benefit of ratepayers and residents in South Australia.

Delivering profitable growth may result in over pricing of gas and services to make way for more excessive profits, too high gas prices for consumers. AGN's must be Environmental and Socially Responsible – SAFFRA believes green energy – Hydrogen carbon free gas blend and hardship provisions for vulnerable and low income families are implemented by AGN's. (Refer pages 8-13).

Summary

We can spend millions of dollars on reports and inquires. SAFRRA Inc. encourages the Transmission and Gas Australian Energy Regulator body regarding the business and gas prices to consumers are not overinflated. We expect Gas prices and new products in the Gas Industry such as Hydrogen in South Australia for South Australia's achieving green carbon free affordable gas which can be blended into AGN's distribution return and we hope for the reduction of AGN's servicing prices for all customers in South Australia.

Yours sincerely

Kevin Kaeding
President
South Australian Residents and Ratepayers Associations Inc.