

Minutes

AGN South Australian Reference Group | Meeting 5

Date

Tuesday, 20 September 2016

Where

Australian Gas Networks Offices - Adelaide

Time

2:00pm - 4:00pm

Attendees

Reference Group	AGN
Tim Kelly (Conservation SA)	Craig de Laine (Chair)
Reeva Brice (COTA SA)	Ben Wilson
Heather I'Anson (Primary Producers SA)	Vicky Knighton
Anthony Moore (Consumers SA)	Jin Singh (Item 5)
Vanessa Musolino (SACOSS guest)	
Andrew McKenna (Business SA)	
Amber Miller (ESCOSA) Guest	

Apologies

Reference Group	AGN
David Hossen (Property Council of SA)	Kristin Raman
Sandy Canale (EWOSA) Guest	Anna Mitchell
Mark Henley (Uniting Communities)	
Jo De Silva (SACOSS)	

Minutes

The meeting commenced at approx. 2.10pm

1. Welcome

AGN, Craig de Laine (CdL) welcomed the South Australian Reference Group ("Group") and thanked them for their attendance.

2. Review of Minutes from previous meetings and action items

CdL noted that the meeting minutes for meeting 4 have been circulated. Action item from meeting 4 were discussed.

Discussed future agenda items:

- ACT decision update remain as a standing agenda item for discussion as the review progresses. We are expecting that the SA Power Networks decision will be made in mid-October, key points will be inflation, gamma and cost of debt; and
- Group reminded to bring any issues to AGN that they would like to add to the agenda.

3. Best Practice in Environmental Reporting: Tim Kelly, Conservation SA

Conservation SA, Tim Kelly (TK) thanked AGN for the opportunity to challenge AGN's environmental reporting performance.

TK discussed the AGN Environmental Policy and noted that the Environmental Policy needs to deliver not just comply with legislative requirements. He highlighted that the policy included reporting its environment performance openly and transparent. Areas to focus on including demonstrating how AGN takes seriously its obligation and how it seeks economic ways to reduce greenhouse gas emissions.

Questions from the group asked why the Company Secretary was responsible for the application of the Environmental Policy. Ben Wilson (BW) responded that he and the Executive are also responsible as well as the Board and all employees.

It was also noted that Policy states it will be reviewed at least annually but is was last reviewed October 2014.

The environmental benefits of Natural Gas was discussed as AGN promotes this. It was noted that a number of claims on both the website and the Annual Review document do not contain a reference to source material and the basis for calculation. BW responded that AGN are currently updating our website and that this is a good time to include this information. AGN has this information and is happy to provide it.

Action Item: Vicky to send Tim and the group a copy of the greenhouse gas calculations which is based on unaccounted for gas from AEMO.

TK discussed best practice reporting and examples of other companies reporting practices including Iluka. Iluka's 2015 report can be found below:

<https://www.iluka.com/docs/default-source/annual-reports/iluka-review-2015>

BW discussed that AGN will consider the reporting of the environmental KPI's for its next Annual Review document.

Action Item: Vicky to liaise with the group on the environmental KPIs.

Environmental policies and plans were discussed including opportunities for carbon offsets for interstate flights or support for local revegetation projects.

Discussion was held on fauna entrapment and was this an issue for gas as it is for other utilities business. TK discussed his experience with water utilities.

Discussion was also held on that it is a difficult story to tell for the gas industry on leadership and role in a low carbon future. BW discussed ENA's work on in this area on the gas vision 2050.

A member of the group discussed the opportunity for AGN to be involved in a school education program and the gas story.

The group provided positive feedback to AGN on the current television marketing program, including the cat.

The group thanked Tim for preparing the presentation and leading the discussion.

4. Overview of Gas Market Reviews

BW provided a presentation on the current gas markets reviews. The presentation focused on the Australian Energy Market Commission (AEMC) review on the gas market and regulatory design and the Australian Competition and Consumer Commission (ACCC) review which is primarily focused on market structure and competition.

The group discussed commercial business issues with obtain quotes and the wholesale gas price trends. Key discussion on the ACCC finding on the no blanket moratoria to on-shore developments and the visibility of pricing for the wholesale markets. Discussions were also held on transmission pipelines and regulation. AGN will be watching the COAG Gas Reform Group which is expected to release further information in December.

BW discussed the status of the Limited Merits Review (LMR) and the importance of having an appeal mechanism including checks and balances. The potential negative financial impact was discussed based on experiences in New Zealand and the credit agencies response. BW discussed the changes AGN are supporting as part of the review which are based on reducing the number of appeals and speeding up process. Key points including increasing the appeal threshold, have the threshold apply to each issue and require business to engage with stakeholders prior to appeal.

A member asked if AGN placed a cost on the savings from the proposed AGN reforms. BW responded that agencies have published estimated costings for the recent appeals. Another member questioned if the Rate of Return should not be included.

5. Other business

Update of Victoria/Albury Access Arrangement – Craig de Laine (CdL) explained the key points of our Draft Plan and the stakeholder engagement we have undertaken as part of the process. This included the two stakeholder workshops and three written submission received.

One member asked how we got people to attend the workshops. CdL responded that it is very difficult in Victoria due to the large Electricity network business and the two other gas business also preparing their Access Arrangement Proposals. It appears there may be engagement fatigue and AGN is mindful of the resource constraints for stakeholders at present.

Customer Service Benchmarking Program update – Jin Singh (JS), Manager, Marketing and Communication joined the meeting to discuss AGN customer service survey. JS discussed that AGN is on an exciting journey to learn more about our customers and their expectations. JS explained the survey process and how it was developed. AGN now has approximately nine months of data and the results as a whole are higher than first expected.

The information AGN is receiving from customers on planned outages is that they are generally satisfied. For unplanned outages customers are finding it challenging to contact the right person and the frequency of communication. AGN is looking at ways to respond to this information including using the new website for new communication channels. The website is expected to go live in coming weeks. One member asked what caused unplanned outages and it was discussed that these are generally caused by third party strikes (damage) to our pipelines during excavation works. A challenge for unplanned outages is they are a rare event for customers and on average a customer may experience one every 40 years, thus customers are unaware who to contact.

Discussions were held on the new connection results and the difficulty of interpreting the results. Issues included the length of the process and the uncertainty of who to talk to. The verbatim responses that are provide with the survey results indicate that developers and builders have less issues with the process as they use the process more often.

Frequency of meeting – CdL discussed the meeting schedule for 2017 and that we are proposing to hold three meetings, February, July and November in 2017. The group agreed to three meetings.

Action Item: Anna to send meeting invites for 2017 to all members.

6. Thanks and close

CdL thanked all for attending.

Next meeting: Meeting 6: TBC February 2017

7. Action Items

South Australian Reference Group	Who	When
One week after circulation: Provide feedback on meeting minutes	All	< Date >
Advise potential agenda items (at least three weeks prior to meeting)	All	ongoing

AGN	Who	When
Circulate draft meeting minutes	Vicky Knighton	29 September 2016
Send Tim and the group a copy of the greenhouse gas calculations which is based on unaccounted for gas from AEMO	Vicky Knighton	29 September 2016
AGN to liaise with the group on the environmental KPIs	Vicky Knighton	ongoing
Send meeting invites for 2017 to all members	Anna Mitchell	31 October 2016