

Bringing Natural Gas to Mount Barker

August 2018

We are proposing to invest around \$35 million to extend the natural gas distribution network to Mount Barker.

This is part of our commitment to deliver for our customers. Our proposed extension will provide homes and businesses in the region with more affordable and reliable energy with substantially lower carbon emissions.

We are Australian Gas Networks, part of Australian Gas Infrastructure Group (AGIG). Our vision is to be the leading gas infrastructure business in Australia. We will achieve this by delivering for our customers, being a good employer, and being sustainably cost efficient.

In South Australia we serve almost half a million customers through a distribution network of over 8,000km. We are constantly expanding our networks and taking action to ensure our customers have a sustainable and secure supply of natural gas. Listening to our stakeholders is key to delivering a positive impact for our growing communities.

Delivering for customers

The Mount Barker region is 36km south east of the Adelaide CBD. Located in the cooler climate of the Adelaide Hills, the region is home to 33,000 residents.

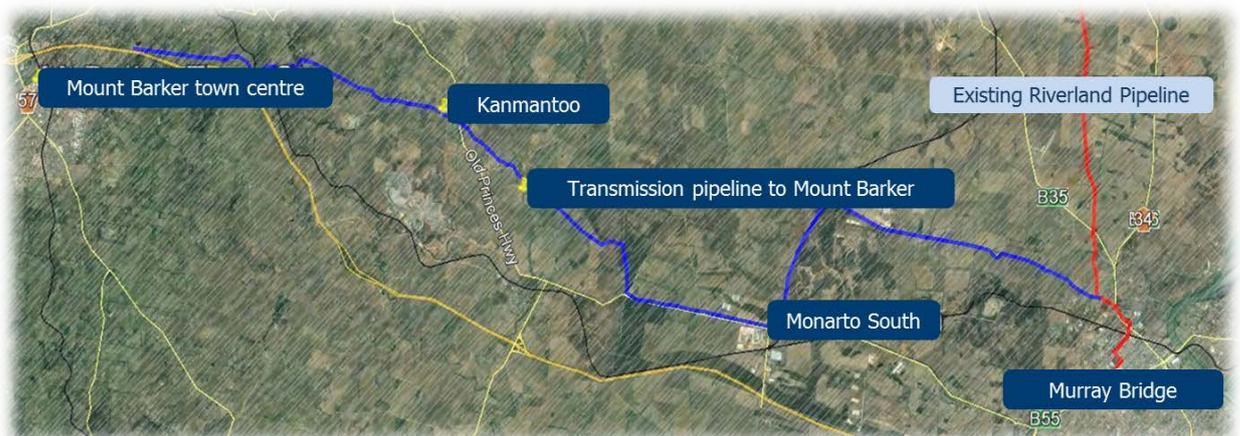
We are proposing to invest around \$35 million to extend the natural gas distribution network from Murray Bridge through Monarto South and Kanmantoo to Mount Barker.

In 2010 the South Australian Government released its 30-year plan for Greater Adelaide which identified the Mount Barker region as a key part of Adelaide’s urban land supply. Population in the region is predicted to grow from 33,000 to 55,000 by 2036.

This presents a fantastic opportunity to provide natural gas to the region now and connect customers as the region grows into the future.

The proposed high pressure pipeline extension will originate in Murray Bridge and pass the Monarto South industrial precinct and Kanmantoo. The industrial precinct is earmarked for expansion. This would provide a number of large businesses the opportunity to connect to natural gas and promote further economic development in the region.

The extension will provide homes and businesses in the region with greater fuel choice, more affordable energy and would result in lower carbon emissions. Increasing overall gas demand will also lower the average cost of service delivery for our existing customers in South Australia.





	40km of new pipework
	\$30 million in economic benefits
	40,000 tonnes less CO₂
	180 businesses
	7,000 homes

Our proposal

We have developed our proposal by engaging with stakeholders to understand the future aspirations and plans for growth and economic development in the region. We have engaged with commercial customers, land owners and Local and State Government.

As a business we are committed to being sustainably cost efficient, which means we deliver profitable growth within industry benchmarks, always ensuring we are environmentally and socially responsible.

We believe our proposal is built on a strong business case which includes:-

- detailed engineering studies, which investigated the cost of extending our network to Mount Barker and reticulating natural gas in the region;
- an independent forecast of customer connections to the proposed Mount Barker network extension by Core Energy Group; and
- an economic value test and an incremental revenue test, which is required under the National Gas Rules.

The regulatory process

The National Gas Law and Rules set out the regulatory framework for gas pipelines. We submit our future plans in the form of Access Arrangements every five years to the Australian Energy Regulator (AER).

We have submitted an application to the AER for an advanced determination with regard to this capital expenditure which will be undertaken between 2019 and 2021. We are also seeking a determination to include this investment in the regulatory asset base as part of our next five year plan commencing 1 July 2021.

Delivering the mains extension in the next 2-3 years will allow customers to realise benefits sooner, minimise costs and maximise the number of customers who will have the choice of natural gas.

The AER is now conducting its review of our application and is seeking submissions from interested parties by 3 September. The review is expected to run through to the end of November.

For more information visit www.aer.gov.au

The AER's review timeline

Submissions on proposal	3 September 2018
Draft determination	Early October 2018
Submissions on draft determination	Late October 2018
Final determination	Late November 2018

Contact

For more information and to see our proposal visit www.australiangasnetworks.com.au

To discuss the proposal in more detail, contact Kristen Pellew, Manager Stakeholder Engagement on 08 8418 1137 or kristen.pellew@agig.com.au