



Major user engagement session

Acknowledgement of Country

We acknowledge the Traditional Owners of the lands upon which we operate and recognise their continuing connection to land, waters, and culture.

We pay our respects to their Elders past, present, and emerging.

Pictured: artwork by Aboriginal artist Chern'ee Sutton from Mount Isa for our Group's Reflect Reconciliation Action Plan



Agenda for today

Topics we will cover

Section 1: Welcome and engagement principles

Official welcome

Activity: what principles of engagement would you like us to follow?

2. Context and background

About the Access Arrangement and regulatory framework

Draft timeline for major user engagement and overall timeline

Playback of feedback from the major users survey

What is the Reference Service Proposal (RSP)?

Sharing our early thinking on the RSP

Activity: Q&A – hearing from you!

3. Next Steps

Activity: feedback and reflection from today's session – what did we do well? How can we improve?

Thank you and close

Duration

20 total

15

5

60 total

15

5

5

15

5

15

10 total

5

5

In order to...

- 01** Get your initial thoughts and questions on JGN's Reference Service.
- 02** Understand what you think of the proposed engagement process for the 2025-30 Access Arrangement review.

Reminder: This session is being recorded

Welcome!

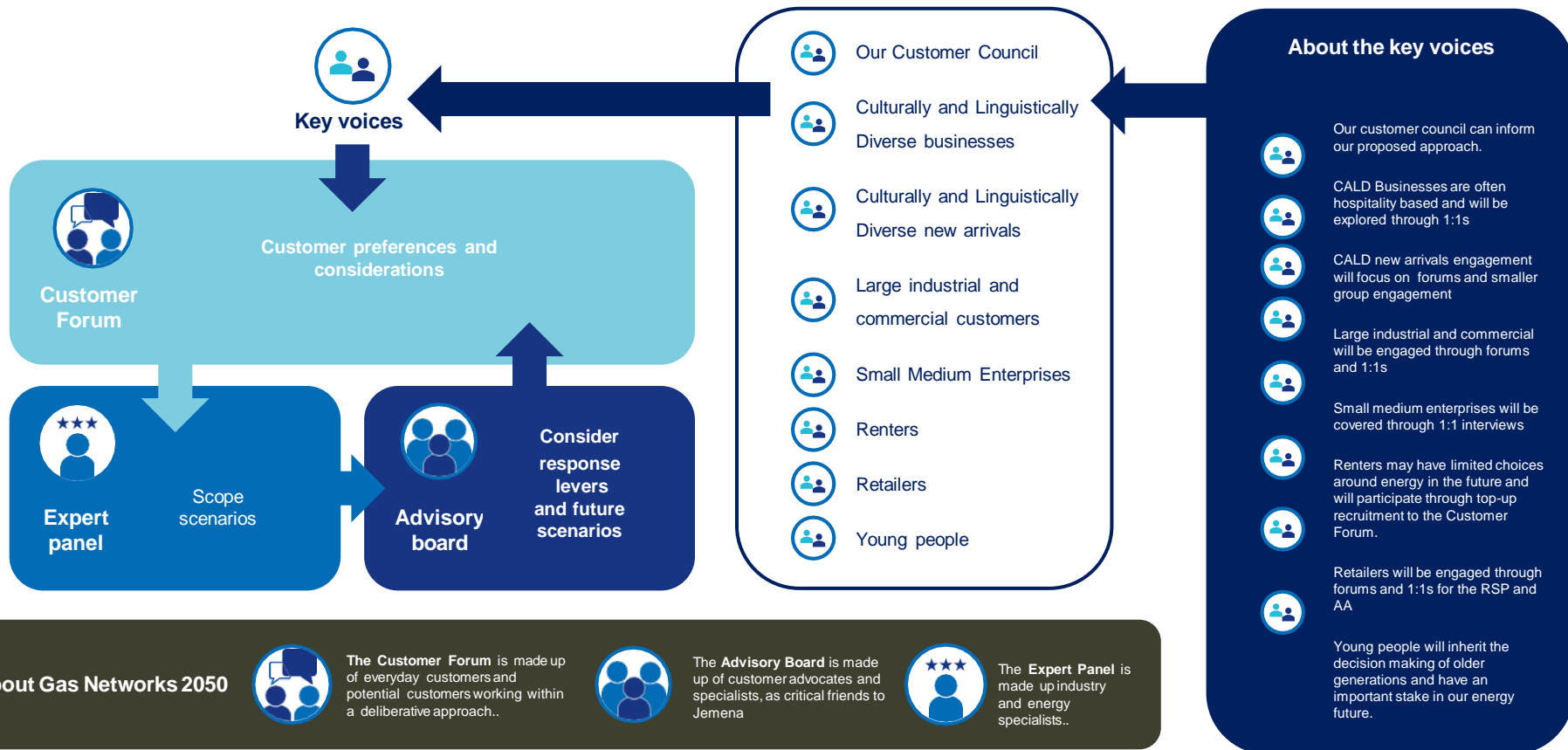
Our purpose today is to:

- Provide an overview of the process to review and update JGN's Reference Service for the 2025-30 Access Arrangement period
- Get your inputs to help shape our approach to retailer engagement for JGN's 2025-30 Access Arrangement review.



Engagement for Access Arrangement (AA) 2025-2030

Engagement for Jemena's access arrangement will be authentic, and rich to really listen to the diverse needs of our customers.





Households
in city and
regional areas



Households with
different combinations
of gas appliances and
therefore gas usage



Households
from different
climates



Households
with different
socio-economic
status



Households
on older and
newer parts of the
network



Households
with vulnerable
customers
(including the
over 55s)



Households with
different housing
types: low, medium
and high density



Culturally diverse
households



Households
that are renters
and some home
owners



Small businesses



Culturally diverse
small businesses



Large
businesses



Households with
young people

What principles of engagement would you like us to follow?

1

Let our **customers** and **stakeholders** views shape our regulatory proposal



2

Build **trust** and **collaborate** with customers in our regulatory proposals



3

Continue to support growth of Jemena's customer focused **culture**



What does good engagement look like to you?

What principles of engagement would you like us to follow?

Context



The Access Arrangement

Every 5 years, JGN has to submit an Access Arrangement to the Australian Energy Regulator (AER).

The Access Arrangement will set out:

- the activities and investments that we will undertake
- the distribution network charges that customers will pay

for the next regulatory period (1 July 2025 to 30 June 2030).

For the forthcoming Access Arrangement period, JGN has to submit a proposal document to the AER in June 2024 for consideration:

- The AER will review JGN's proposed activities and investments, before approving it.
- The Access Arrangement will come into effect on 1 July 2025.

Access arrangement

JGN's NSW gas distribution network

1 July 2020 – 30 June 2025



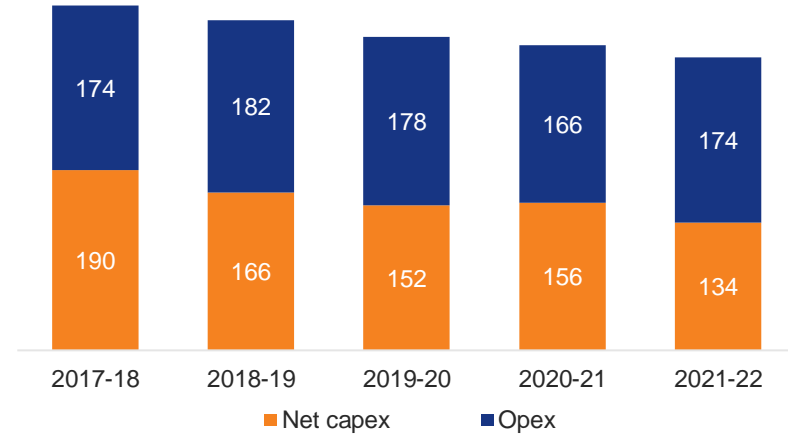
Click [here](#) for JGN's Access Arrangement for the current period (1 July 2020 to 30 Jun 2025)

Jemena Gas Network's activities and investments

Our network distribution charges enable us to recover the costs required to operate the network.

Most of this investment goes into connections, renewing meters and pipelines, upgrading facilities, as well as day-to-day operations of the network such as repairs, gas replacement, and software & IT support services

Net capex and opex from 2017-18 to 2021-22 (\$M)



Over the last 5 years, total costs associated with our reference service averaged \$334M per year (nominal terms).

The Reference Service Proposal

- As part of the Access Arrangement process, JGN is required to submit a *Reference Service Proposal*.
- The Reference Service Proposal must set out all the pipeline services that we can provide.
 - Out of this list of services, we need to identify at least one service that becomes the reference service.
- The reference service becomes the core service of our network.
- The reference service needs to comply with the reference service factors.

The National Gas Rules set out the requirements of the Reference Service Proposal and the reference service (see next slide).



The National Gas Rules and the reference service



What is a Reference Service Proposal?

JGN has to submit a reference service proposal to the AER 12 months before it submits the 2025-30 Access Arrangement. The reference service proposal must:

- Identify all the pipeline services JGN can provide.
- Identify at least one service to be a reference service, which will form the basis of prices and T&Cs for the next Access Arrangement period.
- Provide any feedback from customers on the reference service proposal.

The AER must publish JGN's reference service proposal and invite written submissions on it.



What are the reference service factors?

JGN's reference service must consider the reference service factors. In summary, these are:

- Actual and forecast demand for the service.
- The extent to which the service is substitutable for another service.
- The feasibility of allocating costs to the service.
- The degree to which the service supports access negotiations and dispute resolution for other pipeline services.
- The regulatory cost of making a service a reference service.



Click [here](#) for the National Gas Rules on the Reference Service Proposal and reference service factors.

JGN's current reference and non-reference services (as specified in JGN's 2020-25 Access Arrangement)

Reference services

Reference Service

Transportation of gas from a receipt point to a customer's premise including providing metering equipment and undertaking activities as requested such as

- Special meter read
- Disconnection (volume customer)
- Reconnection (volume customer)
- Abolishment (including permanent removal of meters)
- Hourly charges: non-standard retailer initiated jobs
- Disconnection and reconnection (demand customer)

Non-reference services

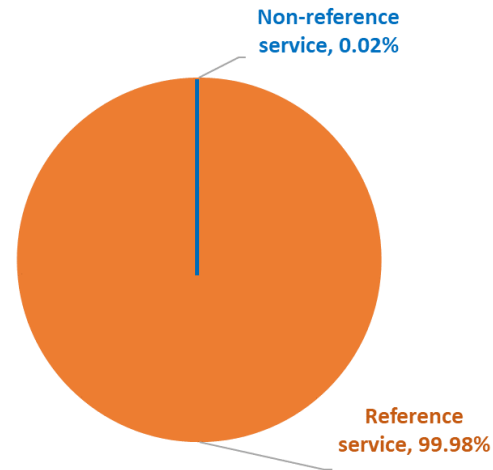
Interconnection services

- Interconnection of an offtake or a receipt point

Negotiated Services

- A haulage service that is bespoke in some way. These are typically negotiated, usually with reference to relevant AA schedules

RY22 revenue breakdown



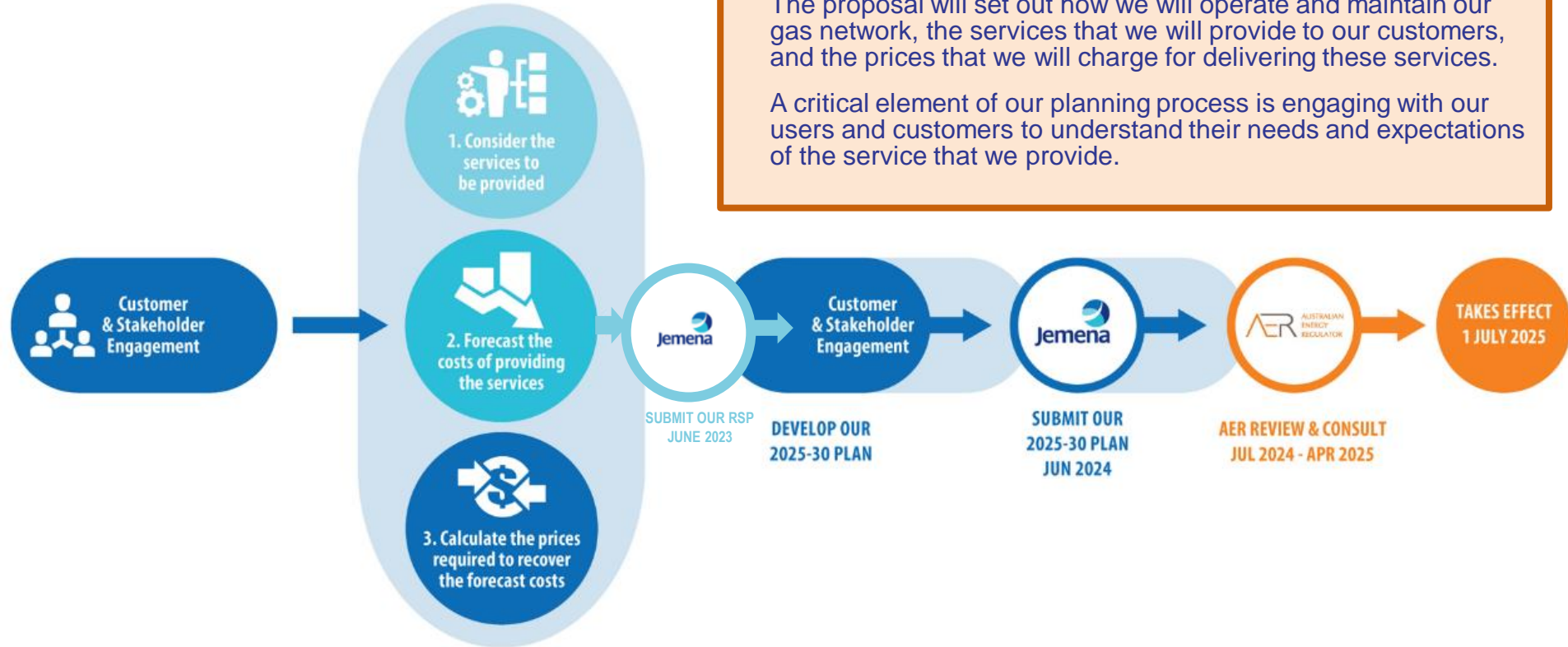
Click [here](#) for JGN's 2020-25 Access Arrangement.

Process: the Reference Service Proposal and 2025-30 Access Arrangement review

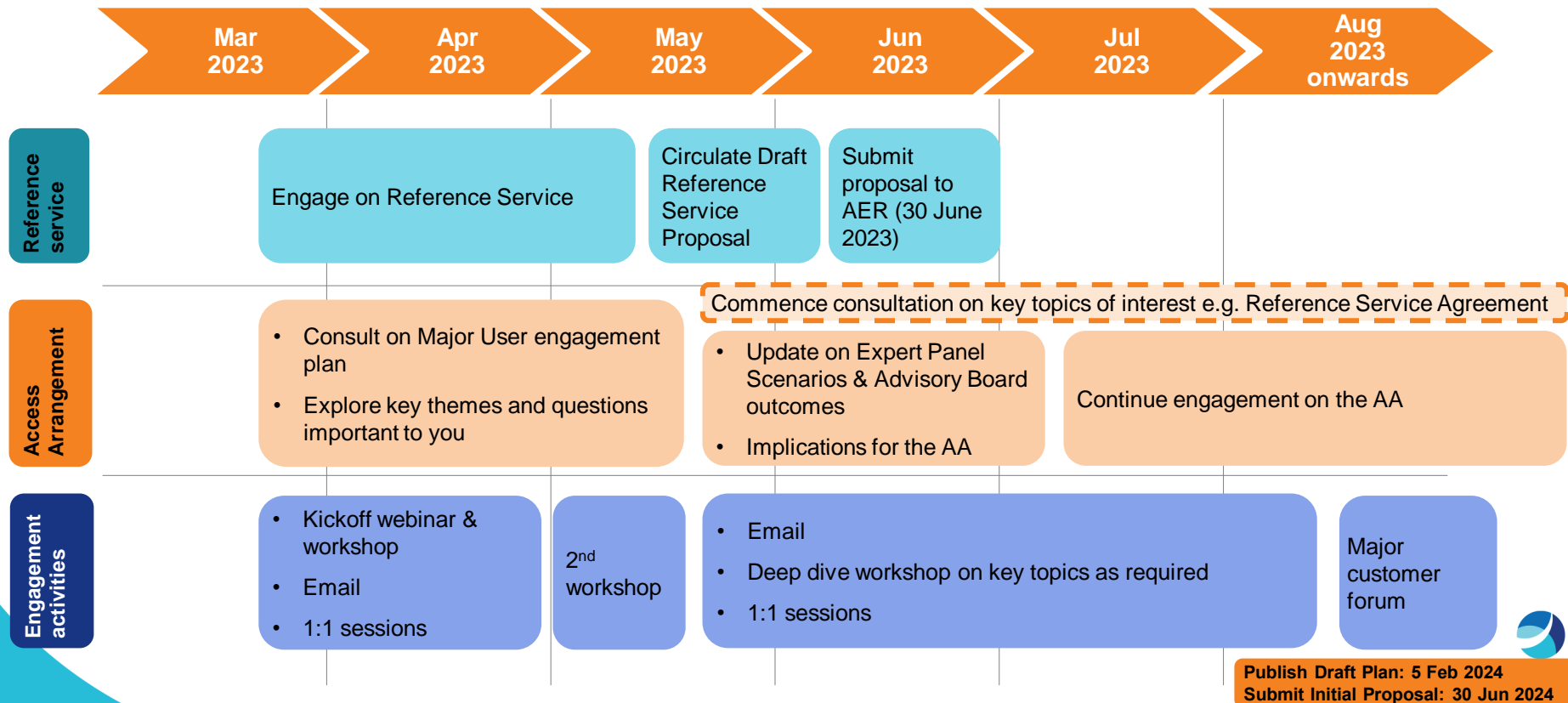
We are developing our Access Arrangement proposal.

The proposal will set out how we will operate and maintain our gas network, the services that we will provide to our customers, and the prices that we will charge for delivering these services.

A critical element of our planning process is engaging with our users and customers to understand their needs and expectations of the service that we provide.



Large user engagement | Draft timeline



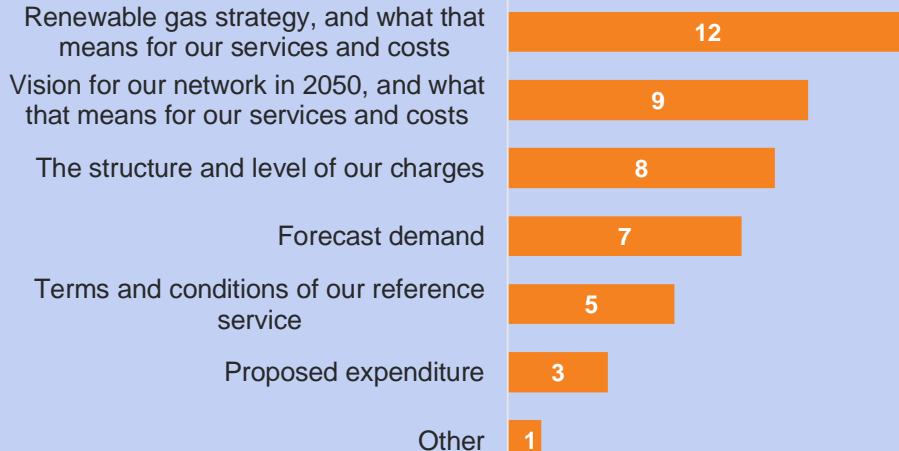
Playback of feedback from your survey

Your responses | Access Arrangement

Q: How would you like us to consult with you on our AA?

A workshop on general topics that are of interest	8
Email	8
A website to access information by topic	3
One-on-one sessions	2
Questionnaire	1

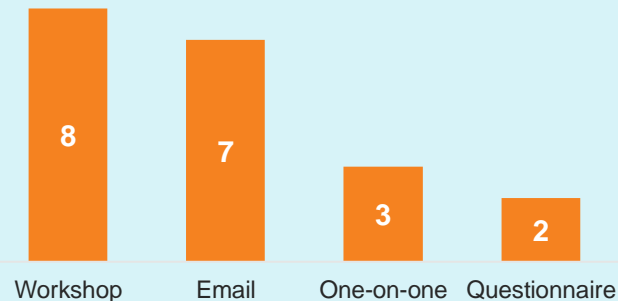
Q: What topics are of interest to you (tick as many as you like)?



Note: There were 13 respondents to the survey. Survey respondents could select more than one option.

Your responses | Reference service proposal

Q: We plan to consult with you on our draft RSP in Q1 2023. How would you like us to do that?



Note: There were 13 respondents to the survey. Survey respondents could select more than one option.

Early thinking on the Reference Service Proposal



Engagement to date – Oct 2022 questionnaire sent to retailers, self-contracting user and some demand customers.

Group	Feedback
Retailers	4 out of 5 who responded indicated that our current services meet their future business needs.
Self contracting & major users	13 out of 13 who responded indicated that our current services meet their future business needs.

- Energy Officials recently finalised a suite of pipeline and renewable gas reforms.
- Triggers a need to review our services to ensure consistency with the new rules.
- New rules unlikely to significantly change the nature of services currently being provided.
- Need to update the Reference Service to reflect changes in the regulatory framework, which allows transportation of gas blends.

We value your feedback.

Once we have your feedback, we will circulate a marked-up version of the Services section of our 2020-25 AA, for further consultation.



Click [here](#) to find out more about the pipeline reforms, and [here](#) to find out more about the renewable gas reforms.

Consultation questions

Reference Service Proposal

Our current reference service is suitable to meet your needs during 2025-30 (agree / disagree scale)

Why do you think that? (open response)

Do you see the need for any change in the current reference service? (open response)

Should any additional activities be specified as a reference service? (open response)

Access Arrangement

Is there anything missing from our draft engagement plan for the AA?



Thank you!

Did you feel heard today?

Please contact us if something comes up, if you didn't get a chance to raise an opportunity or issue, or if you want to discuss further: Gasnetworks2050@jemena.com.au