



Retailer engagement session

28 April 2023

Competition disclaimer

Jemena is committed to complying with all applicable laws, including the Competition and Consumer Act 2010 (CCA).

The Act covers the relationships between suppliers, wholesalers, retailers and customers. Its purpose is to promote fair trading and competition and provide protection to customers.

The provisions are aimed at deterring practices which are anti-competitive.

Therefore, in this meeting, we ask that you:

- Be mindful of the diversity of interests represented from the gas distribution network and retailers and that our customer groups intersect.
- Do not share any commercial in confidence information which may be construed as promoting or enabling a cartel, price-fixing or misuse of market power.
- Respect the opportunity to be open and share information within the Chatham House Rules:
 - ❖ This means that participants are free to use the information received but neither the identity nor the affiliation of the speakers nor that of any other participant may be revealed.
 - ❖ If you would like to be able to share any presentations or reports from the meeting, then please seek the permission of the speaker or presenter.

The Act is also responsible for the establishment of the Australian Energy Regulator. It is worth reminding ourselves that the purpose statement of the AER works under is to make all Australian energy consumers better off now and in the future.

It is in that spirit that we come together today.

Please be aware of these rules and conditions.

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 report back

Welcome and check-in

Our joint engagement principles

Hearing from you: reflections on session 1

Section 2: Update on the Reference Service

Update on our progress on the Reference Service

Hearing from you

Section 3: Engagement update on Gas Networks 2050

Gas Networks 2050 update

What we're hearing from stakeholders and customers

Does this resonate? hearing from you

3. Next Steps

Timeline

Feedback and reflection from today's session, thank you and close

Duration

15 total

2.5

2.5

10

30 total

15

15

15 total

2.5

10

2.5

10 total

5

5

To...

- 01** Update you on how we've incorporated your feedback on these sessions, and Jemena's progress on the Reference Service so far
- 02** Check on our understanding of what you said and how it's been incorporated so far.
- 03** Provide an update on a topic of interest you wanted to know more about: our Gas Networks 2050 engagement.

**Reminder: This session is
being recorded**

Menti – giving your feedback today!



Go to menti.com on your phone or laptop and enter the code xxx or scan the QR code!

Playback: retailers and Jemena principles of engagement

- **Positive and open communication:** you talked about genuine collaboration, consistent and timely sessions, and active participation.
- **Clarity:** you said “no questions should be treated as stupid”, that we all need to be on the same page, and suggested paraphrasing in sessions by Jemena team to illustrate comprehension.
- **Transparency and information sharing:** you suggested that we could achieve this through SME workshops with internal teams, setting up meetings with an agenda, sharing information back quickly, following a due process, and that Retailers should understand the Access Arrangement comfortably by the time it's submitted.

Do you have any questions?
Did we miss anything?

Playback: retailers session 1

What we heard

Principles of engagement: retailers value positive and open communication, clarity, transparency and timely information sharing. They also favour using some online tools to gain feedback in-session, e.g. Menti.

Reference Service is meeting needs for most retailers, and large users, however some want it to continually evolve: while 8 in 10 attendees agree or strongly agree that the current Reference Service meets their needs, a minority are unsure or neutral. Some felt the need for more information. Others felt the future of the energy system needs to be considered. Retailers expect Jemena to be continually evolving the Reference Service and engaging in an ongoing way.

Retailers want a variety of customer touchpoints for the Draft AA Engagement Program: retailers had some suggestions on other customer groups including looking at affordability amongst vulnerable customers. Others felt that frequency of engagement, in addition to efficiency, matters too.

How we have responded

- We will come back to these principles at each session and ensure we hold ourselves to these principles during our engagement with retailers. We expect the same principles from the retailers that engage with us throughout this process.
- This feedback is noted and appreciated as we develop the Reference Service Proposal.
- We've completed 1:1s with several retailers and large users, who have provided us with their feedback
- We've considered the impacts of the pipeline and renewable gas reforms on our Reference Service
- We have made minor updates to the Reference Service that we would like to test with you. We will circulate a draft Reference Service Proposal in May, so you will have an opportunity to provide feedback.
- We note that the future of energy, and uncertainty, is a key theme in our customer forums.
- We are looking at the overall engagement program and will take on this feedback in considering engagement with different groups.
- Within our customer forums, affordability is emerging as a major theme and we're giving some thought to how Jemena responds in this AA.

What are your reflections of our session? Is this an accurate summary?

Anything else you'd like to add?

Thank you?

Update on the Reference Service



Recap: what is the Reference Service Proposal?



What is a Reference Service Proposal?

JGN is required to submit to the AER a Reference Service Proposal 12 months prior to the submission of its 2025-30 Access Arrangement proposal (Rule 47(3) NGR). Rule 47A(1) NGR requires JGN to:

- Identify all the pipeline services we can provide, and include a description of those pipeline services.
- Identify at least one service to be a reference service*.
- Have regard to the reference service factors specified in Rule 47A(15) NGR, when proposing its reference service.
- Describe any feedback from users and end-users in developing the Reference Service Proposal.

The AER must publish JGN's Reference Service Proposal and invite written submissions on the Reference Service Proposal.

*The reference service will form the basis of the prices and terms and conditions we develop for the next Access Arrangement period.



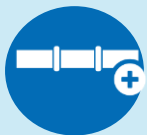
What are the reference service factors?

Rule 47A (15) in the National Gas Rules set out the Reference service factors that JGN's reference service must consider. In summary, these are:

- actual and forecast demand for the service;
- the extent to which the pipeline service is substitutable for another service;
- the feasibility of allocating costs to the service;
- the usefulness of specifying a service as a reference service in supporting access negotiations and dispute resolution for other pipeline services
- the likely regulatory cost of making a service a reference service.

JGN's current services

Reference service



Receipt of gas



Haulage



Delivery to customer premises



Meter provision and meter reading



Special meter reads*



Disconnection (Volume Customer) *



Reconnection (Volume Customer) *



Disconnections and Reconnection (Demand Customers)



Abolishment



Hourly charge – non-standard requests



Expedited reconnection*

Non-reference services



Negotiated services



Interconnection Service

Note: Services marked with an * have a charge per wasted visit

Feedback on JGN's current services

- Stakeholders saw the services currently provided by JGN as suitable
- No suggestions from Retailers as to additional ancillary activities
- Suggestions from Self-Contracting Users
 - Park and loan service
 - Not feasible from an operating perspective
- Other issues were raised by Stakeholders but have been parked for now, as currently out-of-scope for RSP

Potential changes to service offering

Reference services

Haulage Reference Service



Receipt of gas



Haulage



Delivery to customer premises



Meter provision and meter reading

NEW



Ancillary Reference Service



Special meter reads*



Disconnection (Volume Customer) *



Reconnection (Volume Customer) *



Disconnections and Reconnection
(Demand Customers)



Abolishment



Hourly charge – non-standard requests



Expedited reconnection*

← Eligible delivery point – not limited by pressure

Non-reference services



Negotiated
services



Interconnection
Service



To connect a
Pipeline or facility
to the network. As
per Part 6 NGR

Note: Services marked with an * have a charge per wasted visit

Timeframes

What	When
Circulate draft reference service to retailers and major users for review	w/c 8 May 2023
Deadline for retailers and major users to provide feedback on draft RSP	By Friday 19 May 2023
Incorporate feedback from retailers and major users into the final RSP	By Friday 26 May 2023
Commence engagement on Access Arrangement and Reference Service Agreement	Post 30 June 2023



Update: Gas Networks 2050

Gas Networks 2050: Advisory Board and Expert Panel update



Gas Networks 2050 is Jemena's response to the energy transition, and uncertainty for the future role of gas networks. That's why Jemena is meaningfully collaborating with a range of stakeholders.

As we gear up for our next Jemena Gas Networks Price Reset for 2025-2030, we continue our high standard of consultation and engagement and consider the significant role our customers and stakeholders will play, as we face into the challenges ahead on this this journey, together.

Gas Networks 2050: what we're hearing from our customers



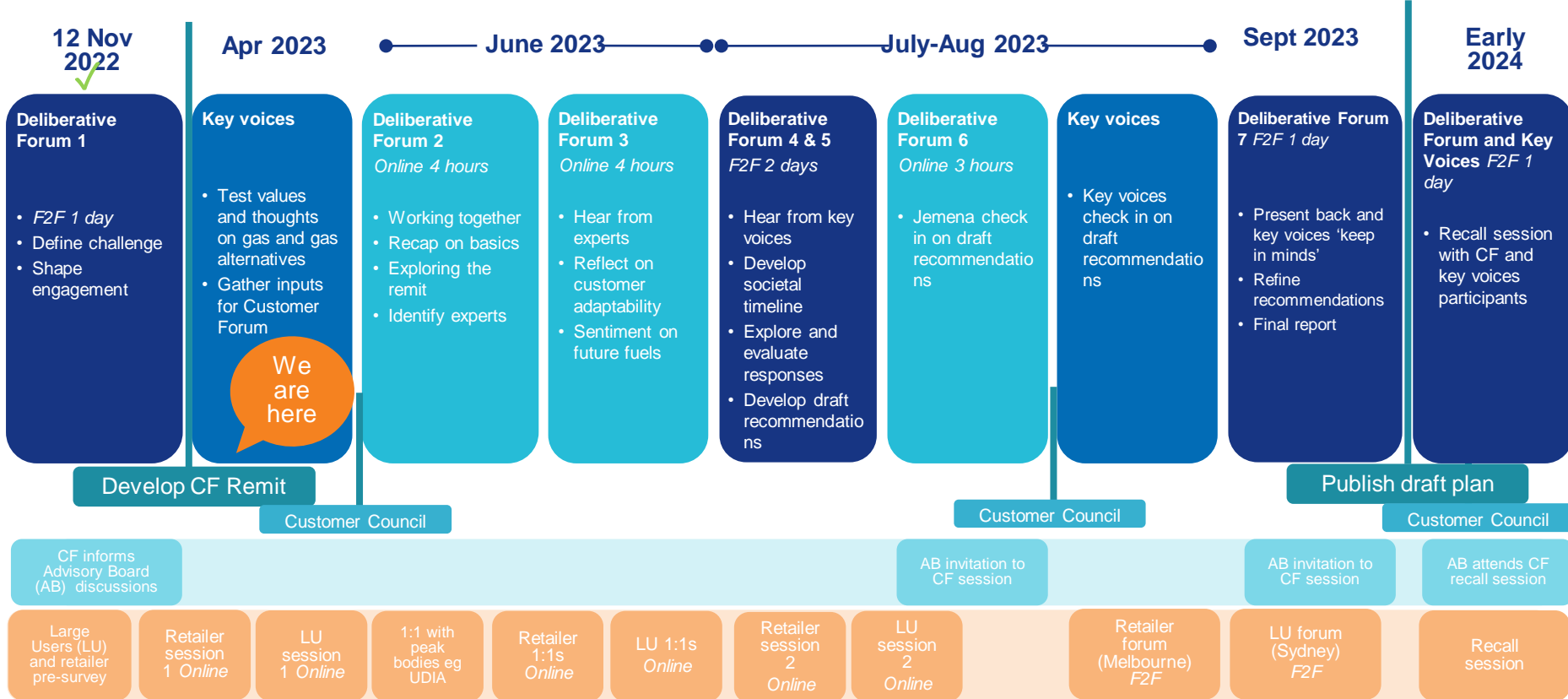
So the biggest thing that I hear from customers has been just fantastic.

Gas Networks 2050: what we're hearing from our stakeholders



...what is happening in the energy sector right now is massive change.

Rosemary Givens
Chairman, Gas Networks



What we've heard from customers so far:

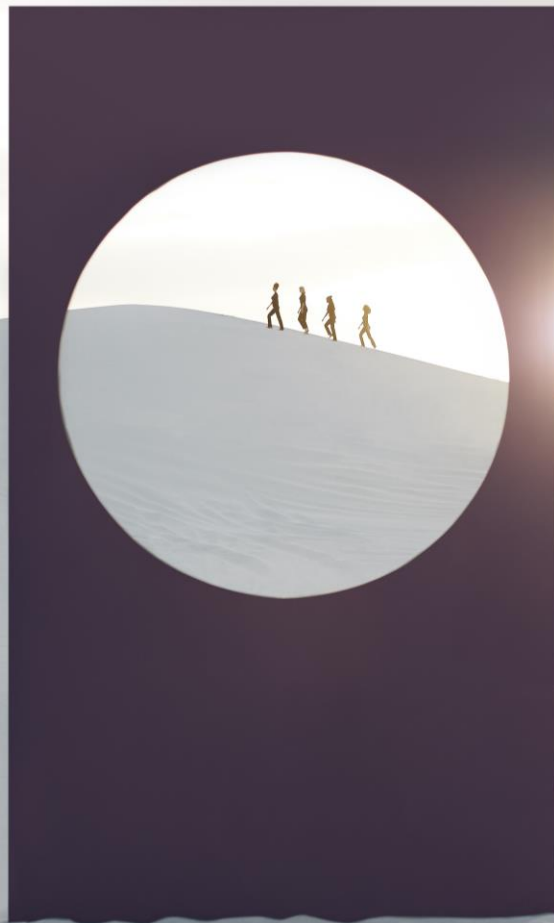
- Choice of gas
- Vulnerable customer initiatives
- Connections
- Willingness to pay for renewable gas and innovation
- Expectations of access into the future
- Reliability and security of supply
- Dealing with uncertainty (across the four demand scenarios) through accelerated depreciation and charging for connections
- Tariff reform options and fairness.

Questions (menti)

How does this align with, or is different to, what you're hearing from customers?

What might be the challenges and opportunities when engaging with customers and stakeholders in the Access Arrangement?

Next steps



We want your feedback on today's session!



What did we do well today?

What can we improve on for next time?

Any other feedback or comments?



Thank you!

Questions or comments?

Email: GasNetworks2050@jemen.com.au