

Jemena Gas Networks

Tariffs Brains Trust Forum
Summary Report

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Quality control

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Note that we are publishing this report consistent with the recommendation of the Australian Energy Regulator (AER).

1 Overview

Jemena Gas Networks (Jemena or JGN) engaged bd infrastructure to deliver a series of customer engagement workshops to support a pricing method review for the 2025-2030 regulatory period. This engagement process was established following the release of an issues paper and associated consultation process by the Australian Energy Regulator (AER), related to pricing methods (including forms of control and tariffs) for gas distribution networks in Australia.

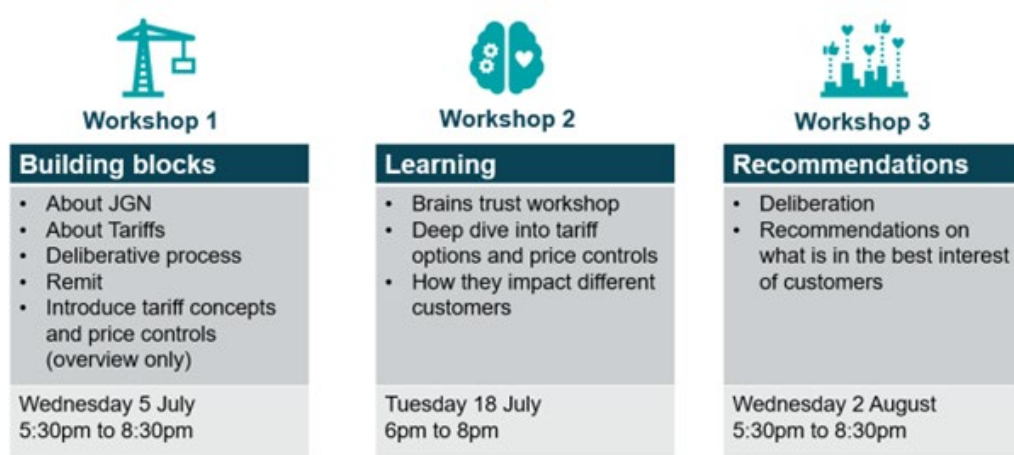
This engagement was designed and facilitated by bd infrastructure. It featured a randomly selected panel of everyday customers working together over three workshops to understand and reflect what pricing approach was in the best interest of customers. To support the participants with independent advice and knowledge, four independent experts (labelled as the Brains Trust) were engaged.

All the workshops have been online, using the ZOOM platform. Participants were put into small groups to engage with each of the Brains Trust and to discuss and explore the questions, with note taking support provided by Jemena staff.

This was the second of three planned engagement sessions involving randomly selected gas users from within Jemena's network area, who broadly match the demographics of their customer base.



The final session (Customer Forum 2) is scheduled to occur online on Wednesday 2 August 2023. The diagram below summarises the key details and structure of the three online engagement sessions.



This report provides both the details of activities and the comments that were captured during the Brains Trust workshop session.

This session was aimed at participants having the opportunity to explore and challenge perspectives as they develop an understanding of how gas is planned, priced and delivered in NSW.

2 Details

Table 2-1 below provides details of the Brains Trust Workshop.

Table 2-1: Brains Trust workshop details

Workshop details	
Date	Tuesday 18 July 2023
Time	18:00 – 20:00
Location	Zoom (online)
Customer Forum attendees	<p>29 participants attended.</p> <p>Participants were recruited through an independent recruitment process undertaken by Taverner Research Group. Any recruited participants who are participating in the current Jemena Gas Networks Pricing and Services Plan consultation process have been excluded from also participating in this consultation process.</p>
bd infrastructure attendees	<ul style="list-style-type: none"> Lucy Cole-Edelstein (Facilitator) Anne-Marie Mitchell (Facilitator support) Ken Fullerton (Technical support)
Jemena representatives	<ul style="list-style-type: none"> Ana Dijanosic, General Manager – Regulation Andre Kersting – Gas Networks Regulation Manager Merryn Spencer – Engagement Lead Emma Wilson – Pricing Lead Al Hanoof Al Maamari – Graduate Engineer Calla Wang – Senior Engineer Distribution Alex Liu – Asset Investment Analyst
Brains Trust members	<ul style="list-style-type: none"> Douglas McCloskey – Public Interest Advocacy Centre (PIAC) Victoria Jordan – Customer and Advisory Board Member Zubin Meher-Homji – Economist and Founder of Dynamic Analysis Dr Matt Pearce – Energy Expert & Partner at KPMG
Observers	<ul style="list-style-type: none"> Helen Bartley – Consumer Challenge Panel, AER Gary Davies – Origin Energy
Apologies	<ul style="list-style-type: none"> Mark Henley – Energy Advocate and Customer Challenge Panel Gus Mandigora – Australian Energy Regulator Anita Bryant – Australian Energy Regulator Dale Johansen – Australian Energy Regulator

A copy of the workshop's run sheet is provided in Appendix A and a copy of the workshop presentation is provided in Appendix B.

3 Key findings





During the Brains Trust workshop, key themes that emerged from customers included them wanting to:

- Seek further knowledge about Jemena's past and existing tariffs and how they are structured
- Better understand the trade-offs and who should or could bear the risk of any potential changes in tariffs
- Consider the different factors (such as environmental and social) that might influence Jemena's future tariffs
- Better understand Jemena's position as a company in the market and the regulations it faces
- Better understanding Jemena's position in the gas supply chain
- Address customer uncertainties around lack of information and knowledge around the gas supply chain
- Consider how possible gas alternatives such as increased electrification of appliances and vehicles might impact the amount of gas used in the future
- Consider whether renewable gas might be a possible future option and when this might be the case
- Consider how Jemena can contribute towards the Australian Government's objective to achieve Net Zero emissions by 2050.

4 Details of participants

Brains Trust participants

Four independent experts with experience and skills in regulatory reset processes, deliberative engagement and energy-related matters were selected to form the Brains Trust. Their details are presented in the table below.

Brains Trust member	Organisation	Brief biography
Douglas McCloskey 	Public Interest Advocacy Centre (PIAC)	With broad experience across corporate, government, professional, not-for-profit and hospitality industries, Doug has a deep understanding of vulnerable people, people experiencing poverty, and the organisations that work with, and support them. Working across a range of policy responsibilities, he demonstrates an ongoing focus on utilising and building upon his skills and experience, to make a positive contribution to the community.
Victoria Jordan 	Customer and Advisory Board Member	Victoria is a NSW solicitor working mainly in commercial law but with diverse work experience including NSW Fire and Rescue and the Australian Army. She is a former customer representative on a previous Jemena Gas regulatory reset engagement process.
Zubin Meher-Homji 	Economist	Zubin is a leading economist with over 15 years of experience in regulation and policy advocacy. In 2014, Zubin founded Dynamic Analysis (formerly Dynamic Economics) to help utilities to develop regulatory proposals and unlock commercial value. His skills have led to positive policy outcomes, increased regulatory funding, and improved productivity within the businesses.
Dr Matt Pearce 	Energy Expert and Partner at KPMG	Since joining KPMG in 2014, Matt works with utilities and heavy asset businesses on strategy and operational excellence. His recent work has focused on energy transition, customer and stakeholder engagement, renewable energy projects, optimising field work and enterprise strategy. He is on the Advisory Board of the Centre for Energy Technology at the University of Adelaide.

Andre Kersting from Jemena also facilitated one of the Speed Dialogue sessions (see more below).

Customer Forum participants

29 Customer Forum participants, recruited through Taverner Market Research, participated in the Brains Trust workshop. The demographics of this group are included in the table below with charts included in Appendix C. These demographics are broadly reflective of Jemena's customer base (end users). The exception to this is the categories of primary language spoken at home, dwelling type and tenure, which aim to bring in a variety of social and economic backgrounds to ensure we incorporate more potentially vulnerable voices into the conversation.

Workshop details	
Gender	<ul style="list-style-type: none"> Female (n=17): 57 per cent Male (n=12): 43 per cent
Gas usage	<ul style="list-style-type: none"> Yes (n=29): 100 per cent No (n=0): 0 per cent
Age	<ul style="list-style-type: none"> 18-24 (n=3): 10 per cent 25-34 (n=5): 17 per cent 35-49 (n=8): 28 per cent 50-64 (n=9): 31 per cent 65+ (n=4): 14 per cent
Tenure	<ul style="list-style-type: none"> Own/ part-own (n=23): 79 per cent Rent (n=6): 21 per cent
Dwelling type	<ul style="list-style-type: none"> Detached or semi-detached house (n=15): 52 per cent Villa, terrace or townhouse (n=4): 31 per cent Apartment or unit (n=9): 14 per cent Other (n=1): 3 per cent
Primary language spoken at home	<ul style="list-style-type: none"> English only (n=23): 79 per cent Language(s) other than English (n=6): 21 per cent <p>Languages other than English include Cambodian, Chinese, Gujurati Hindi, Japanese, Mandarin and Tagalog with some participants able to speak multiple languages.</p>
Geography	<ul style="list-style-type: none"> Greater Sydney (n=12): 41 per cent Hunter/ Central Coast (n=3): 10 per cent Illawarra (n=5): 17 per cent Regional 1 (Goulburn, Bathurst, Yass, Cowra) (n=7): 24 per cent Regional 2 (Griffith, Forbes, Dubbo) (n=2) 7 per cent

5 Process and outcomes

Pre-workshop homework task

Prior to the Brains Trust workshop, Customer Forum participants were emailed on Friday 14 July 2023. The purpose of the email was to:

- Remind them of the upcoming Brains Trust Workshop and provide some background information about it
- Introduce the four Brains Trust members
- Provide attachments including the Customer Forum 1 snapshot report and Jemena Ready Reckoner (Appendix D) graphically developed by bd infrastructure and Jemena
- Ask them to respond to the following two questions via email:
 - Consider the question in the customer challenge (the remit) ...What does “in the best interest” mean to you?
 - ‘What is one question you have for the Brains Trust for next Tuesday?’

23 out of the 29 Customer Forum participants (79 per cent) provided email responses (see Appendix E) ahead of the Monday 17 July 2023 5pm deadline. Those who did so qualified for an additional gift voucher payment.

The aim of this exercise was two-fold – to help participants stay engaged and involved, and to provide some feedback to the project team about how the participants were understanding some of the key concepts.

This exercise helped us shape the format and run sheet for the Brains Trust workshop.

Setting the scene

Welcome address

The welcome and introductory remarks and the Acknowledgement of Country were led by the main facilitator Anne-Marie Mitchell from bd infrastructure. Ana Dijanosic, General Manager – Regulation at Jemena, then followed with some additional welcome remarks and thanks to the participants.

Purpose and introduction to the speakers

Participants were reminded of the Remit:

Which type of pricing method is in the best interest of customers?

Key factors for participants to consider include:



Net zero 2050 is causing uncertainty and change for the energy sector.



Jemena and its regulator are reviewing how gas is priced for customers.



Different pricing methods will affect how much customers pay, in different ways, with some winners and some losers.

Speed dialogue

Participants were split into five groups, with each group containing a Facilitator (the four Brains Trust members and Andre Kersting), a dedicated note taker, and 5-6 Customer Forum participants. The two observers were also allocated into separate rooms. Every ten minutes, the group facilitator and note taker were rotated to ensure that they had the opportunity to virtually meet and hear from all Customer Forum members. Group Map was used as the online platform for taking notes. The following tables provide a summary of the comments and questions raised from each group discussion.

Group 1

Categories	Comments and questions (Verbatim from Group Map)
Jemena's existing tariffs structure	Can you explain the 6 blocks Jemena offer?
Who should bear the risk	Customer agrees to share some but not 50/50. Jemena should share more than the customers.
	Customer thinks the risk should be shared between customers and Jemena.
	Customer likes the share in 70/30 between Jemena and customers.
	What the revenue split of business and household consumers?
	Will the government share some incentive cost of gas for consumers?
Future Jemena tariff options and pricing	Customer wants to see the unit price of gas in the plan comparison website.
	Raising tariff or declined tariff. Customer wants the third option -declined tariff for major users.
	Customer requests to keep the price the same.
	What the best price structure?
	Affordability is a big question. Who will share the cost and how?
	More gas you use, less you pay. Why not like the same way of electricity?
	Will the trend increase the gas price?
	If overall usage declines, will that increase the gas price?
	The price is not only about gas. It is also the cost of converting gas appliances to electricity appliances.
	The community house gas billing? As it is a common meter and shared by the strata bill, the retailer charges the higher rate.
	What can gas utility companies offer to customer to bring the price down? Similar like the solar panel.
	With electricity it has options, whether gas can offer options for the pricing? Customer likes more certainty of gas pricing.
	Customer is asking the options of price setup.
Customer uncertainty and information	Customer feels confused about what they are paying for.
	News around stopping customer using gas. What happened there?
	What's the unit of gas looking like?
Gas supply chain	How to control the retailer not passing the benefit to customer if Jemena reduced the cost?
	How close the alternatives become available?

Categories	Comments and questions (Verbatim from Group Map)
Alternatives to gas use	If we are all going to electricity eventually, is it possible to give customer a timeline for the plan?
The future of gas	Is renewable gas a long-term goal?
	Is renewable gas far away or currently happening?
	To be sustainable, we have to move to green gas. Customer agreed on this.

Group 2

Categories	Comments and questions (Verbatim from Group Map)
Future Jemena tariff options and pricing	Are our choices limited to the three, flat/ declining and inclining?
	What is the best way of sharing tariffs?
	If we had a flat tariff
	Is Jemena considering peak and off peak tariffs?
	If you charge business more than households they will always pass those costs onto customers?
	If a new customer joins Jemena, can you have a plan after your first quarter and pay only a flat fee?
	Can we have a split model, flat charge for residential (fixed/ variable) and declining blocks for industry?
	If you are only paying for gas with water why is it going up?
	Has Jemena ever considered a loyalty program if you have a lot of appliances?
The future of gas	Gas unknown stage in the next few years, If we are unclear of the future is the user going to have to pay?
Questions for/ from the Facilitator	Do you look after residential households or businesses?
	What tariffs must do and what should they do? Fair way to pay for historical pipes and how do we pay fairly for future works. What is fair when it comes to tariffs?

Group 3

Categories	Comments and questions (Verbatim from Group Map)
Future Jemena tariff options and pricing	Why not charge industrial customer more than residential? Matt answers that if charge higher then the total cost could have been brought higher. Network owners needs to get money back, needs to manage carefully.
	Is Commercial business pays lower or higher compare to residential? Why not charge residential more to keep the running?
	Will the tariff be fix once off or will it be adjusted later on when operating?
	For people profitable via gas, does it require higher price to keep gas provider to operate?
	What are the right incentives?
	Make more competitive compare to other power. relative cost v. electricity. Like gas as instant hot water, cooks.

Categories	Comments and questions (Verbatim from Group Map)
Usage of gas	Jemena needs to encourage people to use more gas to keep operators running. Need to consider different number of people in each household.
	You've said more people use it's cheaper, where does the more people come?
	Is there any difference between residencias customers with less people or more people in a household?
The future of gas	When will the coal plants being closed and what will happen after they close? Matt suggested will need to have renewable energy otherwise price strike.
	Trying to understand how does renewable gas work.
	If coal and other sources usage will be changed, WHEN will they start to change? The impact for the interim via close.
Achieving Net Zero	To follow the net zero path, shall we think about tariff to encourage to use gas more effectively?
	1. by product of gas is methane into atmosphere, is it a highly risky material. 2. price: efficiency and transparency of cost and revenue. Is there any inhouse auditing?
	Regulator make promotion to promote gas. more gas to use, cheaper unit prices. Do we want to incentive gas, gas is still lower carbon?
Jemena's future	Jemena only have gas, would Jemena move to electricity?

Group 4

Categories	Comments and questions (Verbatim from Group Map)
Future Jemena tariff options and pricing	Question: will prices go up or down? If it's only in the consumers best interest then the company is not going to be bothered? Answer: under gas law it has to provide enough. Eg put in a revenue cap - the risk the consumer has, we've guaranteed that income to Jemena, if they don't make it in a certain year, for example if people drop off and they all have solar, there's only going to be half the people paying the network costs but the running costs of the network stays the same. If the base decreases Q: would we only pay a little bit more? A: in a normal time you would think that was the case but some Councils have decided no gas, the ACT has no, it don't be a little bit it will be more and more.
	Question: the possibility of choice - we have to remember the tariffs we are talking about are only a third of the bill. Our usage individually - the retailer has no choice? They have to pass it on. Answer: this is my question I've had for a while. Q: harder on big business? A: unfortunately we don't regulate retailers like the networks.
	Question: it was suggested we have a fixed plan - can we give different options for different users? e.g., peak time vs off peak for usage. Answer: Australian gas meters are not sophisticated enough to have time of use like electricity meters. When you're talking about the concept, it's about whether Jemena should be able to consult with the regulator and say over the next 5 years we want to get this money guaranteed to us rather than the free market approach where if Jemena manages to extend their network they get the income. The question is should Jemena take that risk and how we share that between Jemena and the consumer? A: The network fees will double if half the people leave the network. So it's a balance.
	Question: which gives customer more certainty - price cap or revenue cap - and in the context of how much we pay, given Jemena's breakdown of the bill? Answer: the least risky way forward for the customer is to continue with weighted average price cap, as it's Jemena that has to wear any loss. If we have a revenue cap, and customers drop off the network, the consumer will have to pay. Because Jemena won't make as much money as predicting. If they make more than expected, the people left will pay more.

Categories	Comments and questions (Verbatim from Group Map)
	<p>Questions: what do you think is the best outcome / best alternative? Answer: it's complex. The current pricing structure is completely against legislation and public opinion what they want, it's clear policy makers are trying to reduce usage. So having a structure to be more aligned. It's not simple. If Jemena makes gas too expensive large users will pull out and small users will be left bearing the brunt of the infrastructure costs. Jemena can change future use but not really a lot they can do with fewer people on the network the more they will have to pay.</p> <p>Question: sounds a bit grim? Answer: yes you need to consider Jemena's blocks they have - the first one is very expensive, so the options are flat (small users are better off) or increasing block structure (industrial users will reduce their gas use).</p> <p>Question: what's Jemena's strategy around micro-clients e.g. households around using minimal gas? Eg if Jemena is still investing in households using just for cooking. Good question but we need to focus on pricing. The way things are priced are encouraging people to use more gas. There may be ways in the pricing mechanism that could change. E.g. if we change from decreasing to increasing block structure. Everyone else will pay more.</p>
International tariffs and pricing models	<p>Question: do we know what pricing models are used internationally, has there been any modelling done about how Jemena can adapt some of these models? Answer: the Australian Energy Regulator has done some modelling.</p>
Who should bear the risk	<p>Question: until we have a clear direction around the uncertainty, maybe the customer in my view has to take some of the risk? i.e., continue to be borne by Jemena but maybe the customer take some of that - not fair to put it on to the customer. Answer: the pricing structure that's currently used puts all the risk on Jemena. In the other form - the risk partly is on the consumer.</p> <p>Question: concerned about businesses being penalised for using more gas - why should I worry about that? That's why I'm in favour of increasing / declining. Only small households can use so much. Answer: do you think that increasing block tariffs is a reasonable? Qu: no increasing. A: you have to think about the whole picture.</p> <p>Question: differences between weighted average price cap and revenue cap? Answer if there is a drop in income or half the network stopped using gas, the other half would have to pay for the other network costs. The consumer would have to pay. Do you as the consumer want to take that risk? is this fair?</p>
Past changes to Jemena's tariff options and pricing	<p>Question: what changes have you seen or have you been part of over the last five years? Answer: I don't feel like I can answer that question because my engagement was very specific.</p>
Jemena's market position	<p>Question: If Jemena are a monopoly, is this an efficient position, or how can we answer this question, given they're not required to be financially transparent? Answer: These are the very reasons we need to go to the energy regulator about this. As Jemena are in the current structure if they don't meet the forecast they lose money.</p>
The future of gas	<p>Question: unless we swap to renewable gas - everyone's bailing at some point right? Answer: well that's the great hope. I love my gas.</p> <p>Question: why do people need so much convincing about gas? Answer: I don't think it's convincing. The regulator asks Jemena to consult with customers, Jemena can't just do what they want.</p> <p>Question: there's no certainty that gas will be going in the future? Answer: Yes that's correct. We spent a bit of time looking at scenarios. There's a possibility that it may continue as level. Unless the state and federal government policy changes we definitely will be.</p> <p>Question: If that's the case, what's the incentive to keep gas? Answer: yes there's no incentive but what if you can't change over your cooktop? Q: Well Jemena has to take some of the risk, they've been profiting off us. A: it doesn't have to be one or the other. How about Jemena takes the risk on this part, and customers take the risk on this. This is an opportunity for change that reflects current policy. The laws that looks after networks was set in a time that. Q: Does this mean that Jemena was short sighted? More than last five years? A: Yes but last time they went to the regulator, they didn't see it as a pressing matter.</p>

Group 5

Categories	Comments and questions (Verbatim from Group Map)
Future Jemena tariff options and pricing	Will the considerations of the social and environmental aspect affect the cost?
	Jemena situation is evolving due to changes in pricing, potentially caused by a monopoly. They are concerned about whether they are being charged fairly.
	What are differences in residential pricing and the larger consumers (Commercial & Industrial)? Are all getting charge same way?
	The concept of pricing: Tacos only for residential does not seems fair while I&C have different usage?
	Will be investigating how various pricing strategies impact consumers, especially from the side of retailers?
	Supply charges vs Product cost
	Will they have more options for gas usage?
	How Tariffs works?
	How more customers make the bill cheaper?
	Is the environmental (Carbon emission) is what Jemena only care about?
Customer uncertainty and information	How can Jemena help with simplify the gas billing to help people understand it?
The future of gas	Forecasting the future of gas - will the company utilise the consumers database?
	What the changes that would happen if we moved to more into electrifying? / How Jemena take that into the consideration?
	What will happen when we have new cars (EVs), new houses (new applications)?

Insights

Customer Forum participants returned to the same breakout rooms they had been in, along with note takers. They were asked to reflect what they had heard so far (across both the first Customer Forum and Brains Trust workshops) and consider whether they feel they have enough information and are adequately prepared to answer the following two questions.

1. Who should bear the risk of the uncertain environment? Jemena (through a price cap) or the customer (through a revenue cap)? This includes consideration of a hybrid approach in which risks are shared between Jemena and customers.
2. Is it appropriate, given the environment of net zero targets, for Jemena's pricing model to encourage customers to use more gas? Should this be changed?

The Brains Trust participants, bdi and other Jemena staff did not join the groups.

Group 1

Question	Comments and questions (Verbatim from Group Map)
1. Who should bear the risk of the uncertain environment? Jemena (through a price cap) or the customer (through a revenue cap)?	Q1. Equal risk between the two
	Q1. In the short term we are better off under
	Jemena is in a position to influence policy, they should bear the risk.
	If we are to wear some of the risks, this should be regulated.

Question	Comments and questions (Verbatim from Group Map)
	More info on flat or inclining
2. Is it appropriate, given the environment of net zero targets, for Jemena's pricing model to encourage customers to use more gas? Should this be changed?	Q2 the system in which you operate should be flat or increasing
	Q2 People are already doing it tough, we shouldn't encourage more usage.

Group 2

Question	Comments and questions (Verbatim from Group Map)
1. Who should bear the risk of the uncertain environment? Jemena (through a price cap) or the customer (through a revenue cap)?	Jemena should offer fix rate who use more should prepare to pay more.
	Risk such as reliability is definitely critical to customer.
	Customer wants to know more about what the risk talking about here.
	Customer wants to know more about what the risk talking about here.
	Whether gas price setup can be like electricity in the way of use more and pay more.
2. Is it appropriate, given the environment of net zero targets, for Jemena's pricing model to encourage customers to use more gas? Should this be changed?	Encourage to use more gas sounds opposite to environmental protection.
	Price cap is more certainty to customer than revenue cap.
	Customer living in the apartment is only use gas for heating water. What rate are they paying?
	Customer don't want to force to use more gas. Want to keep the current way of use gas.

Group 3

Question	Comments and questions (Verbatim from Group Map)
1. Who should bear the risk of the uncertain environment? Jemena (through a price cap) or the customer (through a revenue cap)?	Info from last 5 years being addressed
	Much uncertainty in terms of future energy. From business and consumer point of view, profit level the business will bear
	Renewable gas supply v. current gas supply. Jemena take some risks as if the tariff is changed the risk could be change the charge.
2. Is it appropriate, given the environment of net zero targets, for Jemena's pricing model to encourage customers to use more gas? Should this be changed?	Programs regarding Jemena net zero.
	Require more transparency in terms of pricing models and tech, renewable, competitors and etc.,

Group 4

Question	Comments and questions (Verbatim from Group Map)
1. Who should bear the risk of the uncertain environment? Jemena (through a price cap) or the customer (through a revenue cap)?	Does Jemena have any services that they can go out to houses where they will have the conversation with customers around how you save money? E.g. lifting your game with social support? (in the states they do infra read photography)
	Do we know how much influence a choice of inclining or declining would have on investments - for example if we go for something that is good for us now but not so good for the long term?
	Thought: we pay a lot for gas because we live in a cold area. Are we going to say on gas or move to electricity anyway - like the way it's going to go? What's in the best interest of everyone including us in a regional area.
	Jemena keeps talking about their investment in green hydrogen - is it a Jemena expense or a taxpayer expense? (is it right to keep saying Jemena funds it - it doesn't impact anything but nice to know)
	Question: considering Jemena is already producing renewable gas or is this comparable in cost to natural gas? I like the existing sliding scale considering for big business. I know with my gas bill its low, I'm happy to keep the sliding scale as it is now.
	If you penalise your large users e.g., BHP making steel what does that do to our economy? and we need our economy.
	Do people have in their own minds, do they only care about their wallet, or do you care about your grandkids? (e.g., renewable gas)
2. Is it appropriate, given the environment of net zero targets, for Jemena's pricing model to encourage customers to use more gas? Should this be changed?	Looks like some of the environmental issues haven't been presented with full disclosure, like about comparing gas use could be around intergenerational equity.

Group 5

Question	Comments and questions (Verbatim from Group Map)
1. Who should bear the risk of the uncertain environment? Jemena (through a price cap) or the customer (through a revenue cap)?	"I feel like the risk should be shared"
2. Is it appropriate, given the environment of net zero targets, for Jemena's pricing model to encourage customers to use more gas? Should this be changed?	Most agreed encourage customers to use more gas
	Encourage both new and existing customers to use more gas
	People should be rewarded based on the usage

Reporting back

Each group apart from one felt they had sufficient information to answer the questions, although it was clear there still remain some confusion about how pricing works and the impacts of different approaches.

The lack of clarity about the future of gas continues to challenge participants. To overcome this confusion, we're proposing to explore customer's values in terms of risk sharing and pricing for the provision of gas network services. Understanding these values will help inform Jemena's decision making in regard to form of price control and tariff design for the 2025 AER submission.

Wrap up and next steps

Participants were thanked again for their time and valuable insights and reminded that:

- The second Customer Forum is scheduled for Wednesday 2 August 2023 on Zoom between 17:30 and 20:30
- Gift voucher payments for the Customer Forum participants would be processed by bd infrastructure within the next 24-48 hours.

Appendix A – Brains Trust Workshop Runsheet

Date	18 July 2023	Time	6pm to 8pm				
Venue	Via Zoom						
Project team attendees	Jemena Andre Kersting – Gas Networks Regulation Manager Merryn Spencer – Engagement Lead Emma Wilson – Pricing Lead Al Hanoof Al Maamari – Graduate Engineer Calla Wang – Senior Engineer Distribution Alex Liu – Asset Investment Analyst Ana Dijanosic – General Manager, Regulation		Brains Trust Doug McCloskey – Consumer advocacy representative Matt Pearce – Energy policy representative Victoria Jordan – Customer representative Zubin Meher-Homji – Energy economics and regulatory representative		Customer Forum Approx. 32 participants	Observers Helen Bartley Mark Henley Anita Bryant (AER) Dale Johansen (AER) Gus Mandigora (AER) Gary Davies (Origin Energy)	bd infrastructure Lucy Cole-Edelstein Anne-Marie Mitchell Ken Fullerton
Purpose	For the customer forum to: <ul style="list-style-type: none">understand what they should be considering when answering the remit (from different perspectives)explore different perspectives on the pricing methods – forms of control and tariffsbe able to articulate what is hard about this for customers						
	Intro and setting the scene (15 mins) <ul style="list-style-type: none">WelcomeEstablish purposeOverview of sessionIntroductionsSpeakers overview (5 mins)	Speed dialogue (60 mins) <ul style="list-style-type: none">Explain process and what to expectSpeakers rotate across 5 groups x 10 mins Short break (5 mins)	Panel presentation (20 mins) <ul style="list-style-type: none">Reflections as a panel on what they’ve heard in small groupsExplore challenge and further explain key points	Insights (20 mins) <ul style="list-style-type: none">Customer Forum to explore what they’ve heard during the session<i>Is the group prepared enough following the now two sessions to be able to answer</i><ul style="list-style-type: none"><i>Who should bear the risk of the uncertain environment? Jemena (through a price cap) or the customer (through a revenue cap)</i><i>Is it appropriate, given the environment of net zero targets, for Jemena’s pricing</i>		Wrap up (5 mins) <ul style="list-style-type: none">Thank youWhere we are heading in between now and next sessionNext session what to expect	

				<i>model to encourage customers to use more gas? Should this be changed?</i>	
Prior reading	Infographic – ready reckoner (part of pre work) Summary report from last session (part of pre work) Survey (part of pre work)			Outcomes report from last session (on online portal if they want to read) Slide pack from last session (on online portal if they want to read)	

Time	Engagement question	Type	Positioning	Details / activities	Tools	Personnel
Introduction and setting the scene (15 mins) <ul style="list-style-type: none"> Welcome Establish purpose Overview of session Introductions Speakers overview (5 mins) 						
18:00	Welcome	Plenary	Active and warm welcome to put people at ease. Overview of the session and Zoom Room	Hello and welcome Housekeeping (including noting that the meeting will be recorded) Acknowledgement of Country Introductions (Jemena, bdi, and speakers overview with spotlights)	Zoom Gallery	Anne-Marie
18:03	Purpose	Plenary	Today is an important part of the process you're going through. You'll hear from people outside of Jemena about the challenge of pricing for gas – to help with the remit you need to answer in the next session.	Purpose slide Remit / challenge slide Ready reckoner – you will all have received this last week – it gives you a snapshot of the challenge from Jemena's point of view and the remit you need to answer. To help you, we've put together external speakers so you can get different perspectives on what to consider as you answer the remit	Zoom Gallery	Anne-Marie
18:05	Speakers overview	Plenary	Great to have you here, let's hear directly from the speakers about where they fit in the energy scene, and what they think you should be considering for the remit.	Each speaker will have one minute to introduce themselves, and let you know what they think you should consider when answering the remit 1 minute each x 4 speakers	Zoom Gallery	Anne-Marie

Time	Engagement question	Type	Positioning	Details / activities	Tools	Personnel
				Great, thank you for sharing those insightful points – we'll now get to dive deeper into what each of these speakers has to say, through speed dialogue		
Speed dialogue (60 minutes) <ul style="list-style-type: none"> Explain process and what to expect Speakers rotate across 5 groups x 10 mins 						
18:10	Speed dialogue prep	Plenary	Before we head into our speed dialogue session, let's have a quick recap of the unconscious bias and critical thinking videos you've watched before coming to this session.	Keep these in mind as you listen to the speakers	Videos	Anne-Marie
18:15	Speed dialogue	Plenary Small groups	The next session will give you a chance to ask the speakers what they think! These are not Jemena employees, these are people out in the energy industry so they each have a unique perspective.	We will soon split into 6 small groups of about 5 people each. (5 min explanation as well and getting into groups arranging etc) You will have 10 minutes with one of the following (50 mins) <ul style="list-style-type: none"> One of the four external speakers Andre Kersting – yes he's a Jemena employee, but we thought it would be helpful to have someone from Jemena available so you can check in on something you've just heard, and to test alternate view points 	Small groups	Anne-Marie Ken to manage break out groups Note takers: <ul style="list-style-type: none"> Emma Merryn Calla Al Hanoof Alex Anne-Marie
19:10	Short break	5 mins				

Time	Engagement question	Type	Positioning	Details / activities	Tools	Personnel
Panel presentation (15 mins) <ul style="list-style-type: none"> Reflections as a panel on what they've heard in small groups Explore challenge and further explain key points 						
19:15	Panel presentation	Plenary	We've heard a lot tonight already, but to really deep dive into some of these perspectives, we thought we'd bring together the speakers into a panel so you can really reflect on what you've heard and further explore and challenge their points.	<p>Great let's have all four speakers spotlighted so everyone can see them</p> <p>We'll use this session to really further explore the challenges you see for customers, and further understand</p> <p>We'll start by asking the panel to each share</p> <ul style="list-style-type: none"> What are your top two insights from your conversations with our customer forum? <p>Great session, let's wrap up by each of our panel sharing the one takeaway message you'd like to give our forum as they work towards answering the question they've been tasked with?</p>	Panel	Lucy to facilitate
Insights (15 mins) <ul style="list-style-type: none"> Customer Forum to explore what they've heard during the session 						
19:35	Customer insights	Plenary	We hope tonight has given you a chance to understand the challenge around gas pricing, and the trade-offs that exist between different customer subsets. Before we finish up tonight's session, we want to explore with you your thoughts around what you've heard.	<ul style="list-style-type: none"> I hope that this session has helped you put some of the issues into context and allowed you to make sense of the jigsaw We wanted to touch base with you about how you are feeling about the process so far The next time we meet, we'll be working through the winners and losers and the challenge for customers in more detail We'll be asking you to answer the remit – what's in the best interest of customers when it comes to the pricing methods that Jemena might use <p><i>In particular, we are wondering whether it might be a good idea to split the group in two; with one half talking about two big pricing questions:</i></p> <ol style="list-style-type: none"> <i>Who should bear the risk of the uncertain environment? Jemena (through a price cap) or the customer (through a revenue cap)</i> 	Small break out groups	<p>Lucy</p> <p>Ken to do break out groups</p> <p>Note takers:</p> <ul style="list-style-type: none"> Emma Merryn Calla Al Hanoof Alex Anne-Marie

Time	Engagement question	Type	Positioning	Details / activities	Tools	Personnel
				<p>2. <i>Is it appropriate, given the environment of net zero targets, for Jemena's pricing model to encourage customers to use more gas? Should this be changed?</i></p> <p><i>The other half of the group would consider the values and principles that Doug has been talking to you about which can help shape Jemena's responses and pricing approach.</i></p> <ul style="list-style-type: none"> In small groups, discuss whether splitting the group is a good idea, which of the two groups you would like to be in Nominate spokesperson from each group to report back in 10 minutes 		
19:45	Report back	Plenary	Let's have a spokes person to share the for each question from the groups.	<ul style="list-style-type: none"> Spokesperson shares key insight for each question 	Plenary	Anne-Marie
19:50	Voting	Plenary	Link to slido	https://app.sli.do/event/tL3FEG8r6FSvjAugdSL05v	Plenary	Anne-Marie
19:53	Review results	Plenary	Let's have a look at the results	<p>We have x number of people feeling prepared, and x not feeling prepared. That makes approximately xx % of the group – are we comfortable moving forward?</p> <p>Present alternate of splitting group if appropriate depending on results</p>	Plenary	Anne-Marie
Wrap up (5 mins) <ul style="list-style-type: none"> Thank you Where we are heading in between now and next session Next session what to expect 						
19:55	Thank you and goodbye	Plenary		<ul style="list-style-type: none"> Reminder of next Customer Forum date and time (Wednesday 2 August 2023, 17:30 – 20:30) Update on processing participant digital gift cards via email within the next 24 hours 	Plenary	Anne-Marie

Appendix B – Brains Trust Workshop Slides

Customer Forum 2

Jemena tariffs consultation

18 July 2023



Acknowledgement of Country

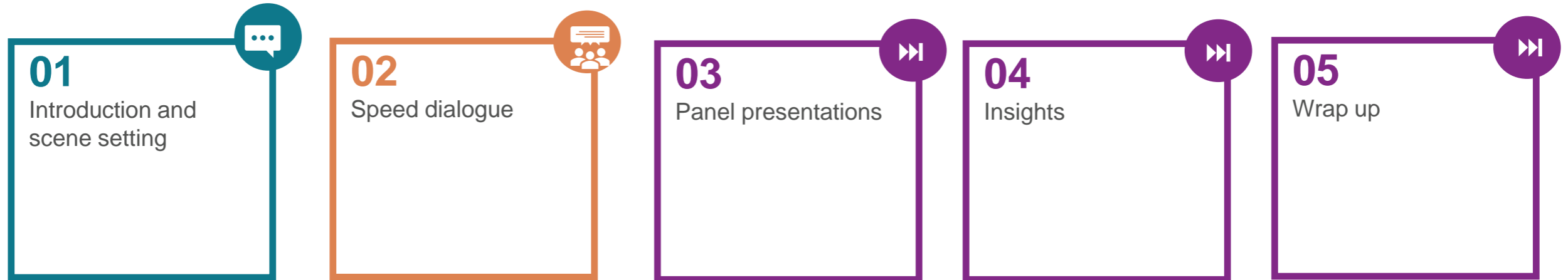
We acknowledge the Traditional Owners of the lands upon which we operate and recognise their continuing connection to land, waters, and culture.

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



Welcome!



Your facilitators



Lucy Cole-Edelstein
Facilitator and Strategy Engagement
BD Infrastructure



Anne-Marie Mitchell
Principal, Engagement and social impact
BD Infrastructure



Ken Fullerton
Project support
BD Infrastructure

The Brains Trust



Doug McCloskey
Public Interest Advocacy
Centre



Victoria Jordan
Customer and Advisory Board
Member



Zubin Meher-Homji
Economist



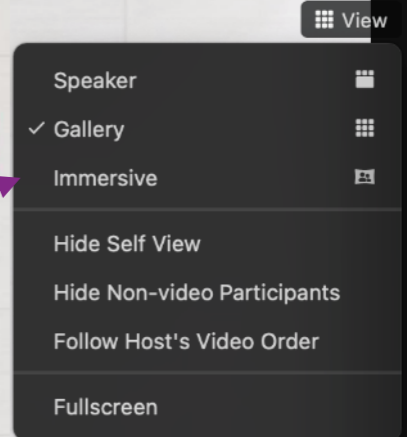
Dr Matt Pearce
Energy Expert

Navigating the Zoom Room

Keep your camera on.

In video settings click the option to see 49 participants in gallery view

Chose 'Gallery' view



Keep yourself on mute - unless you want to speak!!

Select a Camera

✓ FaceTime HD Camera

Blur My Background

Choose Virtual Background...

Choose Video Filter...

Video Settings...

Feel free to use the chat!

Use the emojis to tell us what you think!

If you leave the meeting you can rejoin anytime using the original link.

Leave Meeting



The remit – customer challenge



Net zero 2050 is causing uncertainty and change for the energy sector.



Jemena and its regulator are reviewing how gas is priced for customers.



Different pricing methods will affect how much customers pay, in different ways, with some winners and some losers.

Jemena wants you to answer:

Which type of pricing method is in the best interest of customers?



The Brains Trust – speaker overview



Doug McCloskey
Public Interest Advocacy
Centre



Victoria Jordan
Customer and Advisory Board
Member



Zubin Meher-Homji
Economist



Dr Matt Pearce
Energy Expert

As well as...



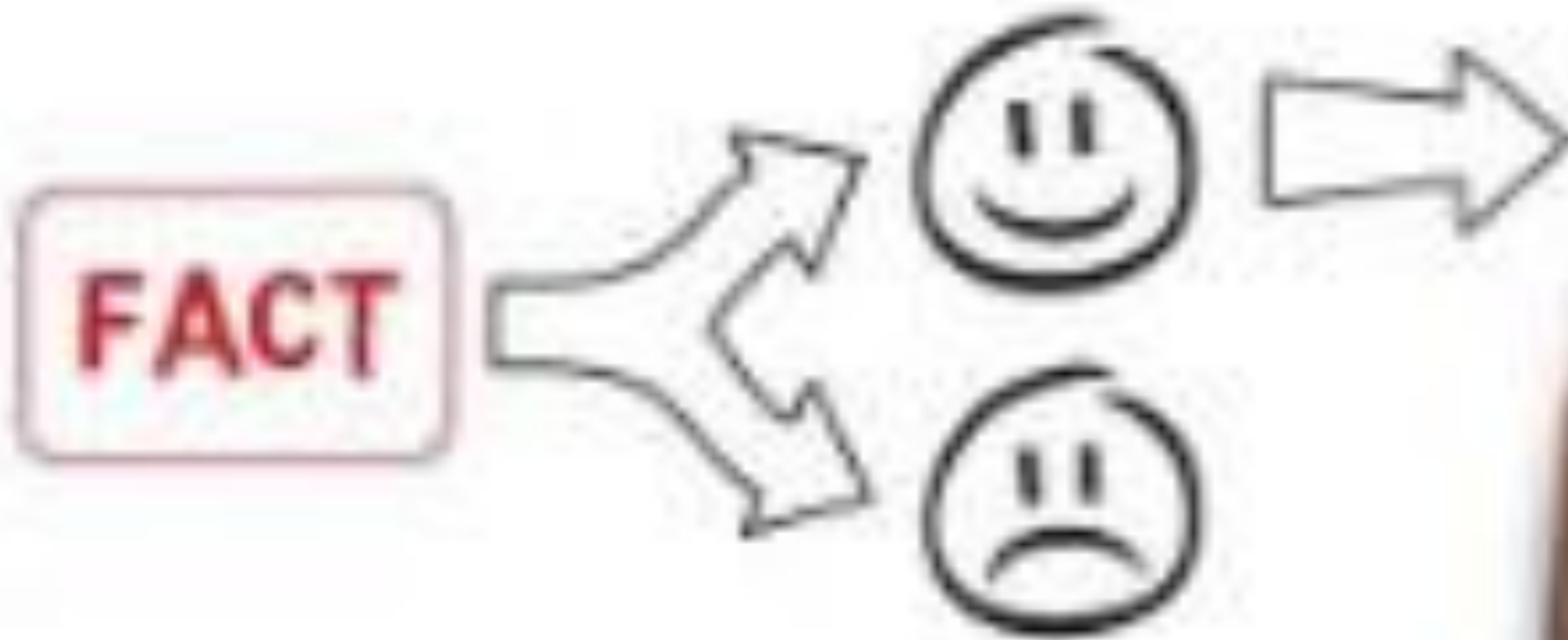
Andre Kersting
Jemena's Gas Networks
Regulation Manager



Preparation for the speed dialogue



4. CONFIRMATION BIAS



Video on Critical Thinking

'SLOW' THINKING, OR CRITICAL THINKING



Speed dialogue



Short break



Panel presentation



Customer insights

Let's reflect on how you are feeling about the process so far...

Break into small groups to discuss:

Reflecting on what you've heard so far, do you feel you have enough information, and you're prepared to answer these questions?

- 1. Who should bear the risk of the uncertain environment? Jemena (through a price cap) or the customer (through a revenue cap)?*
- 2. Is it appropriate, given the environment of net zero targets, for Jemena's pricing model to encourage customers to use more gas? Should this be changed?*

Nominate a spokesperson from each group to report back.

Voting

Everyone click on this QR code or go to slido.com
and enter the number below

Join at
slido.com
#2862 519



Thank you and next steps!

Reminder of next Customer Forum date and time

(Wednesday 2 August 2023, 17:30 – 20:30)

Update on processing participant digital gift cards via email within the next 24-48 hours

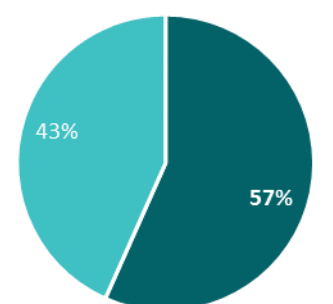
Feedback?

E: GasNetworks2050@jemena.com.au

Web: yournetwork.jemena.com.au

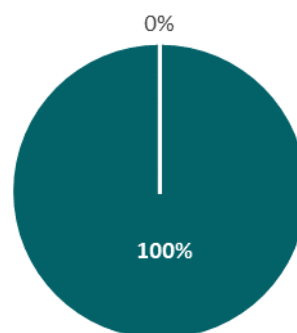
Appendix C - Customer Forum demographics

Gender



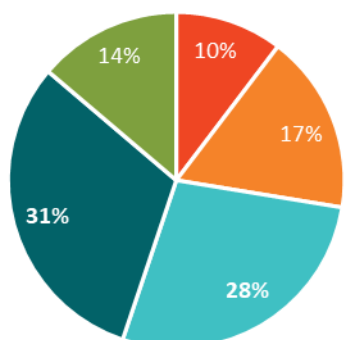
■ Female (n=17) ■ Male (n=12)

Gas usage



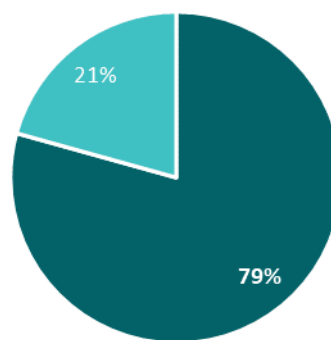
■ Yes (n=29) ■ No (n=0)

Age



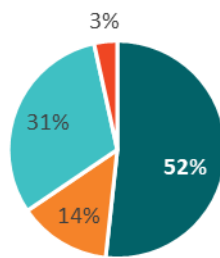
■ 18-24 (n=3) ■ 25-34 (n=5) ■ 35-49 (n=8)
■ 50-64 (n=9) ■ 65+ (n=4)

Tenure



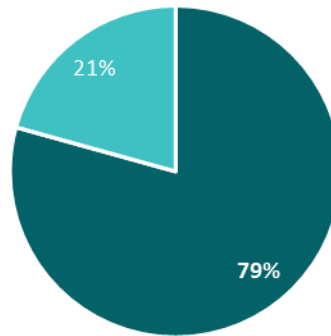
■ Own/part-own (n=23) ■ Rent (n=6)

Dwelling type



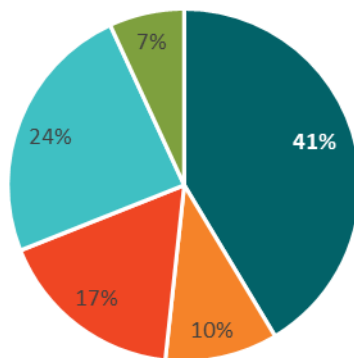
- Detached or semi-detached house (n=15)
- Villa, Terrace or townhouse (n=4)
- Apartment or unit (n=9)
- Other (specify) (n=1)

Primary language(s) spoken at home



- English only (n=23)
- Language(s) other than English (n=6)

Geography



- Greater Sydney (n=12)
- Hunter/ Central Coast (n=3)
- Illawarra (n=5)
- Regional 1 (Goulburn, Bathurst, Yass, Cowra) (n=7)
- Regional 2 (Griffith, Forbes, Dubbo) (n=2)

Appendix D – Jemena Ready Reckoner

Jemena's challenge

The challenges we face

Jemena is facing into a time of great uncertainty. It wants to make sure gas is available for customers that want it.

There are challenges to gas networks from climate change, net zero emission targets and a shift from fossil fuels to more sustainable fuel sources. The uncertainty means a shift in customer preferences.

Until now, all customers share the costs of gas equally. Less customers means increasing costs for those left on the network.

There's a risk this could leave assets and customers 'stranded', or locked into a network that fewer people use.

Your deliberations will shape how this future risk is shared.

The rules

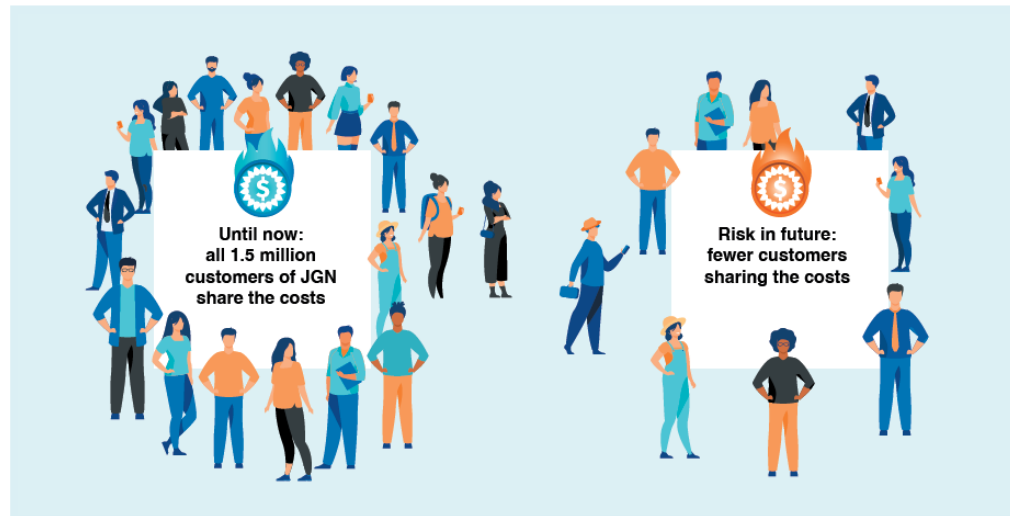
Energy companies on the Australian east coast must follow rules set by the government – the Australian Energy Regulator (AER).

The sharing of risk through prices

Prices and the method (price control) where prices are adjusted each year are set at the start of each regulatory period (every five years).

There are two tools that are used to influence gas prices and what you see on your gas bill: a **price control** and a **tariff**. We currently use a 'Price cap' form of price control.

With any proposed changes to the tariff structure, there will be **winners and losers** and we need to collaborate with our customers about this.



Customer challenge



Net zero 2050 is causing uncertainty and change for the energy sector.



Jemena and its regulator are reviewing how gas is priced for customers.



Different pricing methods will affect how much customers pay, in different ways, with some winners and some losers.

Jemena wants you to answer:

Which type of pricing method is in the best interest of customers?



Pricing mechanisms explained

We need money to run, grow and maintain the gas network

Jemena invests money and resources into the gas distribution network. This investment goes towards maintaining, growing and upgrading the network. It ensures gas can be delivered efficiently, safely and reliably.

We have short-term and long-term investments

Some investments are short-term, some are longer-term.

- Long-term capital investments include pipelines that last for a long time, e.g. 50 years
- Shorter-term investments include meter replacements that last around 20 years

A "rate of return" (profit-margin) is applied to capital investments. Our shareholders expect a return from these investments.

The "rate of return" is not set by Jemena. It's set by the regulator.

The regulator approves our investments.

The regulator sets the allowed revenue based on our efficient investments

Every 5 years, Jemena provides information on our costs and investments to the regulator.

- The regulator approves both short- and long-term costs, if they are efficient.
- Our efficient costs determine our revenues.

To get gas network prices, we have to divide allowed revenues by forecast gas volumes

$$\frac{\text{Allowed revenue}}{\text{Gas volumes}} = \text{Price}$$

Recap on the two different price controls

Under a revenue cap control, revenue for the next 5 years is set at this point. Prices are adjusted every year to reflect over or under recovery of revenue from the previous year. The allowed revenue stays fixed within the 5-year regulatory period.

The customer bears the volume risk within the regulatory period.

Under a price cap, prices are predetermined at the start of the 5-year pricing period and are not rebalanced to account for over or under recovery of revenue from the previous year. The distributor bears volume risk within the regulatory period.

What is volume risk?

Volume risk refers to any upside or downside in revenues received by the gas network (revenues = money).

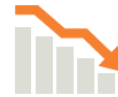
Under a price cap, the gas network will get more money than expected if demand for gas turns out better than expected.

Similarly, the gas network will get less money than expected if demand for gas is worse than expected. (expectations are based on what we forecast, i.e. predict for the future)

Tariffs

The tariff is how costs are decided for using gas.

There are three options for this:



Declining block structure:
The more you use, the less it costs.



Flat structure:
Customers pay a flat rate for all the gas.



Inclining block structure:
Customers pay a flat rate for all the gas.

- Jemena has a declining six step tariff, which encourages gas usage.
- All customers (residential and small commercial) pay the same rate for each block of gas they use.
- Residential households typically will use blocks 1-4
- The more you use, the less you pay
- All Customers pay the same fixed charge

Depending on how the pricing mechanisms are applied will influence who wears volume and revenue risk, and there will be winners and losers



Appendix E – Customer Forum homework questions


Responses were received via email between 14-17 July 2023 to bd infrastructure's Engagement email (Engagement@bdinfrastructure.com).

No.	What does “in the best interest” mean to you?	What is one question you have for the Brains Trust for next Tuesday?
1	As a customer to me, it is in my best interest for regulation to stay the same as it currently is so growth or lack of risks are borne by Jemena and not myself. It would also be in my best interest for a Flat rate tariff to be adopted. This means that I will no longer subsidise big business. Even with the added costs to manufacturing I still feel I will be better off overall as the RBA has made it clear that big businesses are profiteering from increasing prices above inflation regardless of rising costs.	Once you decide on what changes need to be made to tariffs, what's to stop retailers continuing with their own arbitrary pricing structures?
2	It means all possible solutions or scenarios have been run and decisions are made based on the best for the majority.	What is Jemima going to do to encourage their customers to stay with gas?

3	<p>I have taken a literal interpretation of the question as it was not presented such that it was purely related to our discussions (although possibly assumed) and the question doesn't state the 'group' the question relates. Eg self, family, society etc. Hence, I consider this question has several answers, depending upon one's view of life, society etc and the meaning is based heavily on the topic the question relates to. To explain...</p> <p>Extreme 1 If I take a narrow inward-looking focus the phrase "in the best interest" relates to myself and what is best for me in the circumstance being presented without consider of wider issues. This could apply to simple everyday consumer purchases, bank interest rates etc where I minimise costs or maximise returns without consideration of other social & environmental costs.</p> <p>Extreme 2 A global view of the phrase "in the best interest" means in the best interest of myself, family, society and the world/environment. Example, minimising the use of cling film, costs me more in time & cash by using re-useable food containers, silicon wraps etc.</p> <p>Thus, not a simple straight forward question! In General terms I see the phrase as having a variety of elements including cost, environmental & social issues.</p> <p>If the question as I believe intended relates to gas pricing.....the answer is a blend of the 2 extremes. Eg I am seeking a fair price that discourages waste of the resource, is similarly priced to alternate energy sources, is reliable, sustainable and can evolve such that the product become more environmentally friendly.</p> <p>As a side note, society tends to forget green fuels may not be as people believe. Eg Wind turbines... the blades currently have a finite life cannot be recycled, take huge amounts of energy to make the turbines and associated structures.</p> <p>. OMG only one question....difficult!! 🤔🤔🤔</p>	<p>Q: What is Jemena's strategy moving forward re micro clients - households who use minimal gas, and potentially where supply charges are potentially great than the gas usage. Would Jemena consider providing incentives to encourage such customers to seek alternate energy. Can Jemena realistically continue to supply micro clients given the infrastructure & maintenance costs. Is there an obligation on Jemena (legal or moral) to supply clients who are unprofitable which must add costs to other consumers?</p> <p>Q. Given we are endeavouring to propose a new more efficient, transparent, fair gas pricing regime are we a little hamstrung as we have no access to Jemena's financials (being a private company - no requirements to lodge) and unless I'm mistaken Jemena could be considered a monopoly in the areas you service, hence there is a possibility that you may not be a lean efficient operation. Simply your charges are total costs + profit = charge to the consumer. I understand you costs maybe huge given such costs maintenance, R&D etc. To give a basic analogy we don't know if you are a department store, low volume high GP, or a Supermarket high volume low GP. This lack of transparency adds to the difficulty of our quest.</p> <p>A couple of additional questions if I may....</p> <p>Gas bills have 3 inputs, gas purchase, transmission & retailer.</p> <p>Q1 If Jemena is able to develop a price model that has cost minimisation or fairer pricing attributes, what prevents the other parties to the bill absorbing these 'benefits' to their advantage ie increasing their profits? Is this an area monitored by AER???</p> <p>Q2 On limited investigation it would appear that there are some price reduction opportunities for the gas supplied to Strata complexes that have communal hot water systems. Ie centralised gas hot water system which services the entire complex with individual lot costs being determined via hot water usage metering which in many instances can be completed remotely.</p> <p>It would appear each individual lot is charged at the highest rate for gas consumption (as low gas usage) plus a daily charge. In Addition, most of the lots would have a second gas meter used for supply of gas</p>
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No.	What does “in the best interest” mean to you?	What is one question you have for the Brains Trust for next Tuesday?
		for cooking and possibly heating. This second meter gas invoice also has a daily charge - and the gas usage hat does not take into account the hot water gas usage.
4	The best interest for consumers is that the pricing should be as low as the business can afford to pass on. The business must check other supplier's pricing on a regular basis to ensure they are giving consumers the best deal. Also the business must ensure other aspects are relevant such as continuity of supply.	My question for the Brains Trust is this. If gas usage declines at what point would Jemena consider increasing the price and how much notice of this change would be given to consumers.
5	I think to me, best interest means what outcome will have the least detrimental impact to my day-to-day life, whether it be in the form of a short term rate increase to soon turn into a long-term stabilisation or decrease back to normal, or the other way around (decrease now followed by a gradual increase over time). I think 'in the best interest' means looking out for my welfare for the long term, even if it includes some tough love at some point.	What have been the outcomes or lessons learned from previous versions of this exercise - what pricing structures have generally worked worst or best in the long term despite fluctuations throughout? Which method has been seen to benefit customers the most, or negatively impact them the least. How many realistic variations of the options can be considered moving forward?
6	"In the best Interest" I reckon you cannot make everyone happy. From a customer perspective you want to pay less and ensure all benefits fall in your kitty. I believe we should review the risk for the environment, climate change and look at sustainable products and produce more gas, and ensuring different prices for different customers would be beneficial. So, it's important for me to ensure we are not harming the environment and meeting the customer's needs and demands. To sum it up, when all parties, customers, government and the company are all on one page, it will be a win-win situation.	I would like to ask " As we are forecasting from 2025 to 2050 and working towards a common goal, will we have the same customer's or more in total as the world is slowly moving to hybrid or electrical?
7	I need reliable gas supply at a reasonable price at my home since gas have advantage over electricity for some appliances/uses, such as cooking. Otherwise, I may consider switching off gas at my home to use electricity for everything, nothing that there are options available for electricity (see below). I also feel that "Declining block structure" does not work well in the current environment since it encourages customers to use more gas for cheaper rate. We should not encourage customers to use more gas as gas is not a renewable energy source yet.	Is it possible for Jemena to have price cap/or price increase cap in the next 5 years and to change the fee structure to "inclining block structure"? Customers are likely to stay if they have certainty for price in this current financial environment, I think. I also think that we should encourage customers to use less gas for the good of environment.
8	I feel best interest would be the best price and the same reliability as some pensioners/low income are having to go without heat due to huge increases in pricing.	After the world wide issues would gas pricing come down or will companies just take advantage and keep the pricing the same or increase them? (More retailer/ Producer)?

No.	What does “in the best interest” mean to you?	What is one question you have for the Brains Trust for next Tuesday?
9	<p>‘In the Best interest” can mean two things in this study – first of all what is in the best interest to customers so that gas can continue to be supplied to customers at a reasonable and affordable price and at the same allow them to reduce their carbon emissions. Also what is in the best of Jemena so that it continues as a long term gas supplier knowing that they have a non-negotiable target of net zero by 2050 and still conform to AER requirements.</p> <p>Jemena recognizes that due to the focus on climate change, net zero and shifting to more sustainable fuel sources, customers are moving away from gas and less customers means that remaining customers will pay more than they currently do. All of these factors will have an effect on Jemena and the customers and are not in the best long term interest of either as the renewable gas future is not guaranteed.</p>	<p>Considering that Jemena is already investing in green hydrogen and bio methane, how long do you consider it will be before either or both of these sources of natural gas can be delivered to customers and how will the cost of producing either of these sources compare with the cost of producing natural gas to customers in its present situation?</p>

No.	What does “in the best interest” mean to you?	What is one question you have for the Brains Trust for next Tuesday?
10	<p>From the last session, Jemena has two categories of customers: commercial and household. The current declining 6 step tariff is the most beneficial to the larger commercial customers and the least beneficial to the entire category of household customers. So currently, Jemena's 6 step tariff cost model has zero benefit and is in the worst interest for all household customers. Residential households typically use blocks 1 – 4 which on average works out to be significantly higher cost per gas volume consumed compared to larger commercial customers.</p> <p>However, if Jemena uses the flat structure or the inclining block structure, it would be in the best interest of household consumers. However, this would lead to significantly higher cost for commercial customers, which would lead to increased costs of goods sold which would then be passed on to their consumers.</p> <p>I believe that this is a complex issue which requires a more complex tariff model. A combination of both the inclining and declining block structure would be in the best interest of households and smaller businesses whilst not significantly driving the costs up for larger commercial customers who are the most likely group to comfortably absorb the extra cost. Larger commercial businesses would still benefit from the portion in the block tariff where 'the more you use, the less you pay'. In the diagram below, the current inclining block structure has its y axis proportionally decreased (to decrease overall costs in the earlier blocks) and has more blocks added. This is just an example, but larger commercial customers will be 'losers' in this case. But in my opinion, this is much better than the current situation where larger commercial customers are 'huge winners' but households are 'huge losers'.</p> 	<p>Residential households typically use blocks 1 – 4 which on average works out to be significantly higher cost per gas volume consumed compared to larger commercial customers. This incentivises larger commercial customers to not care about their gas usage due to the negligible costs incurred from higher consumption. Isn't this a bit ironic, especially in regards to the zero net emissions goal that is being set? Making households to reduce gas consumptions with higher costs and this being offset with commercial consumers wasting gas?</p> <p>In my opinion, commercial and households should not be lumped into the same bucket, because their needs and consumptions are very different. Why is Jemena only on the side of larger commercial customers? What about the best interests of households and smaller businesses? What is the proportion of revenue being generated from larger commercial customers, that Jemena needs to solely focus on their best interests and do their best to appease them (especially in a world where smaller business and households are struggling and larger commercial businesses are thriving and price gouging).</p>
11	<p>The best interest means for me receiving the best possible deals that are currently being offered by the gas provider in relation to the gas price and any possible promotion or bonuses.</p> <p>The best interest for customers would also mean a fixed price and the more you use the cheaper it should be. I feel that is the fairest way.</p>	<p>My question is why are there so many energy providers for gas when really all we need is two or three making it easier to look around for the best deal.</p>
12	<p>Safety: Prioritise the safety of customers by maintaining and upgrading infrastructure to mitigate any potential risks and hazards</p> <p>Competitive pricing: Ensuring that customers receive value for their money</p>	<p>What investments or developments is Jemena Gas planning to make to ensure a sustainable and energy future?</p>

No.	What does “in the best interest” mean to you?	What is one question you have for the Brains Trust for next Tuesday?
13	<p>I think customers need to have options. When selecting a gas retailer. The gas retailer should be able to offer all 3 Tariffs, including-</p> <ol style="list-style-type: none"> 1. Including Inclining 2. declining and 3. flat <p>Rates and usage can be discussed to select the best Taiff offer.</p>	<p>Why can't retailers ask how many gas products your properly uses to depend on how how much the Supply charge is, ie</p> <ol style="list-style-type: none"> 1. Only hot water - daily supply 0.44c per day 2. Only cooker - daily supply charge 0.44c p/d 3. Both cooker + hot water - daily supply charge 0.56c per day. 3. Cooker + water + heater- daily supply charge 0.77c per day.
14	<p>Affordability, sustainable, competitive meaning pricing is fair. Reliable(reliability) the Gas supply. You currently use a price cap form of price control. Proposed changes to the tariff structure there will be winners and losers.</p> <p>I live in the Central West which is Lithgow NSW 2790. Our family uses I feel in my opinion, more gas with the cold months especially in a year then someone say in a place in Australia not so cold. So we need to have the central gas heating on a lot more being in this cold place what I feel perceive but here. Will WE be a loser as we feel the costs maybe even higher due to living in this area to keep warm. What does in the best interest mean to you?</p> <p>I would say also Jemena still investing money and resources into the gas distribution network. Which comes across too as the best interest to me. With your short and long term investments mentioned. With the pricing mechanisms explained. I don't like however the idea the customer bears the volume risk within the 5 yr regulatory period.</p> <p>The Tariff Options. I am just thinking we may be in the residential block so block 1-4</p> <p>I would think small business shops or places would pay more then us in gas and residential homes pay less but not sure. I think but not sure of course we may pay more in our area Lithgow and home as said before. So not sure if all customers paying the same fixed rate would be fair if certain households are paying more with this same fixed charge in the inclining block structure</p> <p>So it is all a little confusing to me still trying to get my head around all this</p> <p>So maybe the flat structure. And how the pricing mechanisms are applied will end up</p> <p>Influencing who wears the volume and revenue risk. Who will be the winners and losers here. So the type of pricing method in the best interest to customers ?</p> <p>I feel I need to understand it more. I spent around 50 minutes or so trying to get my head around it but I still come back to affordability, best interests to the customers as the cost of living is so much more now with inflation and everything is harder to pay as every entire thing has gone up. And of course reliability of the gas provided.</p>	<p>The question to the brains trust I have is do you feel or hope you will be providing Gas to us from now to 5 to 10 yrs and beyond. What is Jemena's long term strategy to invest in renewables to have customers have gas to heat our homes/businesses and cooking etc. maybe a combined question here.</p>

No.	What does “in the best interest” mean to you?	What is one question you have for the Brains Trust for next Tuesday?
15	<p>'In the best interest' means different things depending upon your position. If you are the customer it means obtaining the best possible price without compromise on supply/quality/service.</p> <p>If you are the supplier/retailer it means maximum profit with a maximum consumer base.</p> <p>In terms of pricing methods, the best interest for customers is for customers to receive a competitive and fair rate. I think the consumer should receive advice about all three methods (incline, decline, flat) applied to their last paid bill as an example. The consumer can then compare the three options and the three proposed bill amounts with the applied methods. The consumer can then decide what method they wish to opt for and they can advise their retailer at any stage what method they want applied to their bills. If they do not advise anything, flat can be the default position until the consumer advises otherwise.</p>	<p>It is thought that the government will offer incentives/assistance for households to move away from gas products and take up more electric products.</p> <p>How are Jemena and all the tiers trading off gas going to keep their existing customers as well as attract new customers when consumers are already facing the push to move away from gas?</p>
16	<p>“Fair for everybody – The way it is now, is definitely not fair at all and I don't agree with that” We are all in the same boat and need to look after each other with everybody being a winner!</p>	<p>“How come we can run out of gas”?</p>
17	<p>In my best interest pricing should be based on the value of the products and services represented by the company. We used to pay a lot less than what we are paying now. I understand fuel prices are set by the market and international benchmark but people only get attracted towards a company where prices are affordable and good services are provided. Especially this is the time where everyone is frustrated with the increasing expenses. It is also important to protect the environment and fulfil customers' expectations.</p>	<p>Does Australia have enough natural gas in the long run?</p> <p>What is the future gas in Australia?</p> <p>Will it be normal gas or electric gas?</p> <p>What affects the supply of natural gas?</p> <p>What factors change gas prices?</p>
18	<p>To me 'in the best interest' does not mean a lot really. 'In the best interest of a customer' has meaning. There is a tension in any organisation between actions that can be taken, which are either in the best interest of the customer or in the best interest of the organisation. Context is important.</p> <p>Similar to a value for money consideration, where the lowest price does not necessarily mean best value for money, best interest consideration for customers does not always mean lowest price. Reliable and consistent delivery is important, and can be seen to point to being in the best interest of the organisation. Different customers will see different perspectives. A small user will look to reasonable price for reliable service, where a large volume user will see pricing and sustainability, along with reliability, to be in their best interest.</p>	<p>My one question for the brains trust is what does a per unit of supply look like? I know what 20 litres of diesel looks like, and how far I can drive on 20 litres of diesel. Although it is a little more abstract I know what a Watt of electricity is, and what I can run on it and for how long. I don't know what a megajoule of gas looks like, nor what I can do with one. I think having a similar understanding about gas understanding will be really informative.</p>

No.	What does “in the best interest” mean to you?	What is one question you have for the Brains Trust for next Tuesday?
19	To me this means that the company is doing everything possible to & fulfils the promises they put out when they get your business.	If the economy slows down & interest eases up will Gas prices actually reduce or will they stay the same?
20	Best interest means to me that the customer are getting a fair price for their usage (based on their usage) and that the price they are paying is also in the best interest of the country and the 2050 emissions targets.	Give all the challenges that face the gas industry ie supply , declining customer and usage , zero emissions target how can the customer be guaranteed that they will be able to access affordable gas over the next 5 years ? Why should a customer invest in gas appliances ie heating, water , cooking when there is no certainty and the option for electric and solar appear to be gathering the momentum?
21	In the best interest (to me) means that the pricing model selected will find a balance between the risks and the price. Going forward, with the uncertainty around the options and overheads for migration to sustainable fuels to reach net zero a hybrid approach may need to replace the current stovepipes of price or revenue models. Retention and growth of existing households will probably have different drivers to corporate clients and perhaps a dual pricing strategy would optimize the outcomes for Jemena.	What pricing models are used internationally and what modelling has been done to apply these to the current Jemena customer profile. What would the social impact be of adopting such models here?
22	"in the best interest" means that it is done for the maximum benefit of that person/group of people. This can include that it is financially beneficial but also includes reliability, safety, security, and convenience.	My question for the brains trust is that to be in the best interest of consumers like us, wouldn't it mean that the company (Jemena) makes enough money to cover costs and pay staff etc but doesn't make extra profit after that? If the prices are as low as they can be for us individuals then there isn't room for extra profit. Does this make sense or am I missing a piece of the puzzle?
23	It's means equity for everyone. Everyone has access for necessary utility. It should be priced the same for everyone. It should be a flat rate for everyone regardless of usage, that way it's fair for everyone. I don't want to find out my neighbours pays less because they use more than me.	Why don't we do a community gas supply? So it's cheaper for everyone and easier to manage one account.