

# Agenda

## GAAR Reference Group – Meeting 1

To be held 10 March 2016 at 11.30am – 1.00pm, Level 3, 6 Nexus court, Mulgrave

**Meeting purpose:** Gas Access Agreement Review 2018 - 2022

**Chair:** Jai McDermott, Multinet Gas

**Attendees:** Kate Leslie, Alternative Technology Association; Gavin Dufty, St Vincent de Paul; Ben Martin Hobbs, Consumer Utilities Advocacy Centre; Victoria Johnson, Brotherhood of St Laurence; Jason Craig, Multinet Gas; Samantha Porter, Multinet Gas; Andrew Schille, Multinet Gas; Mark Beech, Multinet Gas

**Apologies:** Randal Harkin, Council of the Ageing; Dr Rhonda Cumberland, South East Community Links

Item		Time
1.	Welcome	5 minutes
2.	Multinet Gas overview	10 minutes
3.	Regulatory Framework	10 minutes
4.	GAAR process, timings and outcomes	10 minutes
5.	GAAR topics for consultation	10 minutes
6.	Consultation overview, philosophy and process	5 minutes
7.	GAAR Reference Group role in submission - Terms of Reference	5 minutes
8.	GAAR consultation discussion	30 minutes
9.	Action items before next meeting	5 minutes
10.	Close	

4 March 2016



# **Gas Access Arrangement Review Reference Group**

## **Action Plan**

2018 - 2022 Regulatory Period

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# 1. About the project

## 1.1 Project description

MG's network serves Melbourne's densely populated inner and outer east, the Yarra Ranges and South Gippsland. It includes approximately 10,300 kilometres of transmission and distribution pressure pipelines over an area of approximately 1,860 square km.

Our network transports gas from high-pressure transmission networks operated by APA GasNet and Bass Gas to residential, commercial and industrial customers.

We have one of the largest pipeline networks of Victoria's distributors, covering about 43 per cent of the Melbourne metropolitan area.

MG continuing to connect customers in the South Gippsland and Yarra Ranges townships where reticulation was completed as part of the State Government's natural gas extension program.

The next stage of this program, bringing natural gas to Warburton, is currently underway with construction due to conclude in 2016.



The Gas Access Arrangement Review is a 5-year plan for the 2018 to 2022 period which sets out Multinet Gas' future funding requirements in order to continue to provide safe and reliable services.

As part of this process, and in keeping with community expectations and regulatory requirements, we will engage our customers, stakeholders and the community to better understand what they want and value in their gas supply. This will allow us to make sure the decisions we make about our services, costs and prices reflect their priorities and long-term interests.

## 1.2 Consulting the community

Multinet Gas' customer base is dominated by the stable, established residential sector, which comprises 98% of total customers and 70% of total energy consumption.

Gas penetration in the residential market in Victoria is high in comparison to other states with more than 70 per cent of households using gas to heat their homes.

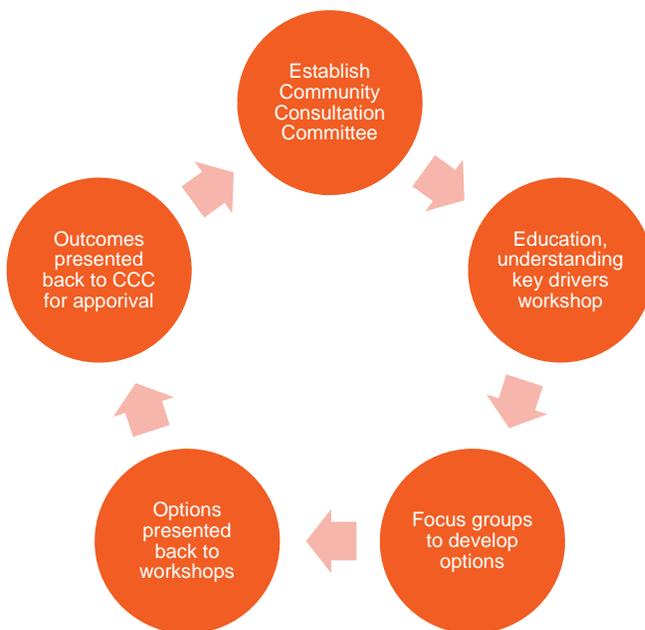
Our intent is to gain a deeper understanding about the issues and range of views across our consumers, particularly from builders, large users and retailers.

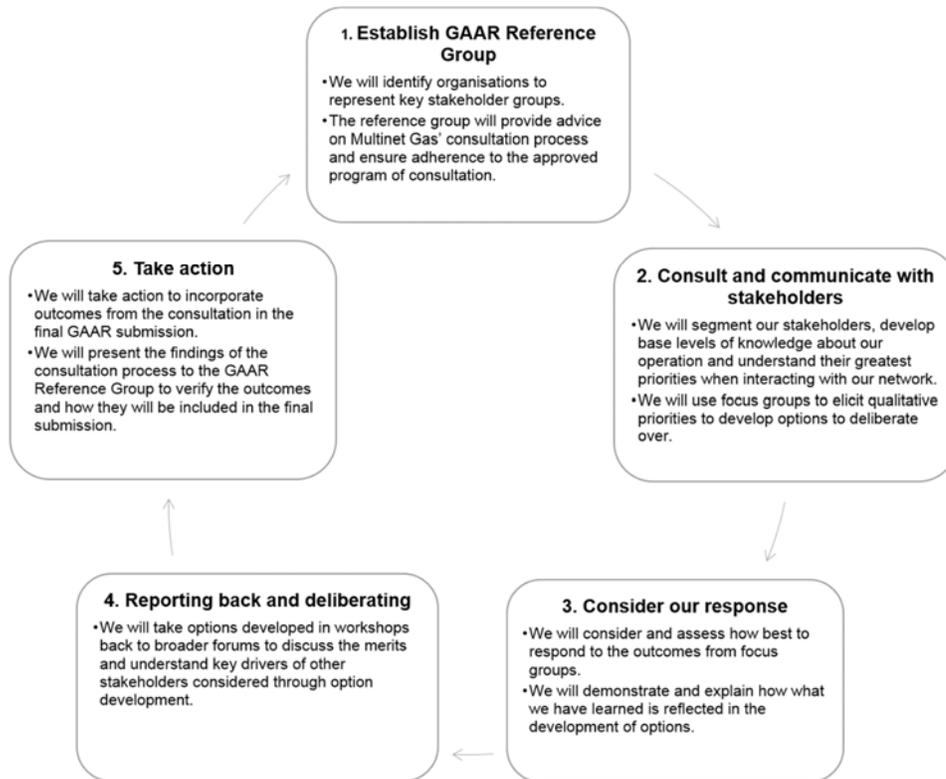
An important part of community engagement is revisiting past engagement topics to test changes in sentiment and new topics to ensure we continue to grow our network and provide safe and reliable gas.

Based on the need to reach a range of audiences with varying levels of knowledge in gas we will undertake a program that recognises the needs of individual customer cohorts and is tailored to provide a genuine two-way engagement to gain a clear understanding of the needs of our customer base. This approach will include, but will not be limited to education, focus groups, workshops and deliberative forums.

## 2. Action plan

### 2.1 Consultation cycle





## 2.2 Project overview

Our proposed program is designed to deliver a comprehensive community consultation program that shapes Multinet Gas' GAAR submission, demonstrates our commitment to meaningful consultation and aligns with community expectations and regulatory requirements.

Our approach has been broken down into four phases representing an entire consultation lifecycle. The phases align with element important to completing consultation. They do not need to run in linear succession and can overlap or run in parallel. We believe this approach demonstrates best practice.

**Table 2.1: Lifecycle consultation elements**

Element	Purpose
Increase understanding	Educating to ensure our customers are informed and can contribute positively to discussed topics
Understanding consumers	Understanding key principles that are important to them when developing options for consideration
Providing opportunity to influence outcomes	Option development, request more informed stakeholders contribute to develop options
Creating a feedback loop	Presenting options that have been developed for discussion to previously engaged focus groups

Verification	Feeding consultation outcomes back to the Reference Group and Multinet Gas' position for GAAR
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### 2.3 What are we consulting on?

It's important to ensure we are clear on what we are consulting on for the GAAR process. Consultation programs must be clear and clearly communicated to participants on how they can and to what level influence outcomes. The GAAR consultation process we will seek input on the following broad topics:

**Table 2.2: Consultation topics**

Topic	Description
Services and pricing	The core elements of the 2018 – 2022 plan. This includes the delivery of services, safety, cost recovery and tariff structures
Business as usual business planning	Issues that can be examined in future business planning. This could include connections, vulnerable customer assistance, network expansion
Gas market issues	The factors influencing gas demand and how MG can or cannot accommodate changes occurring in the gas market
Other issues of interest	Issues of interest to the groups represented by the GAAR Reference Group

25 February 2016



# GAAR Reference Group Terms of Reference

GAAR 2018 - 2022

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Internal

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### Document Information

<b>Title</b>	GAAR Reference Group Terms of Reference
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### Authorisation

	<b>Title</b>	<b>Name</b>	<b>Date</b>
<b>Owner</b>	General manager, Corporate Affairs	Jai McDermott	4 March 2016
<b>Reviewer</b>	Media and Public Affairs Manager	Samantha Porter	4 March 2016
<b>Approver</b>	General Manager Regulatory and Corporate Affairs	Andrew Schille	4 March 2016

### Document History

<b>Version</b>	<b>Date</b>	<b>Amended by</b>	<b>Details of amendment</b>
1	2 March 2016	Samantha Porter	Update of reference membership

### Review Details

Review Period:	Revision Date/Last Review Date + 5 years
NEXT Review Due:	2 March 2021

# 1. Scope

## Terms of Reference

1. The GAAR Reference Group's (Reference Group) scope is limited to the business activities of Multinet Gas (MG).
2. External members of the Reference Group are empowered to provide MG with verbal and written information gathered from the constituents of their respective organisations or from other individuals or sources such as correspondence or published materials.
3. Reference Group members are free to seek information from MG on topics of interest to them, other than matters formally identified as "Commercial in Confidence". MG shall invite staff with specialist skills or knowledge to assist with specific issues as appropriate. MG accepts that it has a responsibility to consider and respond to all issues raised.
4. The Reference Group will meet a minimum of four times in the lead up to the submission of the Gas Access Arrangement Review plan (plan), either at MG offices or other nominated location from time to time. Additional meetings may be arranged at the request of either the Reference Group or MG.
5. The Reference Group Chair shall ensure that all issues are being addressed in a positive, timely and co-operative manner.
6. The Reference Group forms a key component of the organisation's community and stakeholder engagement activities and is designed to assist the business in how it can improve its understanding and management of stakeholder expectations and ensure the regulatory proposal reflects the long term needs of the community.
7. The Reference Group is an advisory group only. It can make recommendations, but has no decision making authority, unless specifically delegated by the Chair at his or her discretion.

## 2. Frequency of meetings

The Reference Group will meet a minimum of four times prior to the submission of the plan. Additional meetings may be arranged at the request of either the Reference Group or MG.

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### 3. Resources

MG will offer adequate resources and ensure the Reference Group functions effectively. This will include providing secretariat support as well as coordinating meeting locations and amenities.

MG will reimburse members for any reasonable travel and parking costs incurred in association with participating on the Reference Group.

MG will pay a flat \$500 (GST exclusive) sitting fee per meeting to Reference Group members representing not-for-profit organisations on receipt of an invoice.

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## 4. Committee membership

### UE and MG Committee Members

Jai McDermott (Chair)	General Manager Corporate Affairs
Andrew Schille	General Manager Regulation
Stephanie McDougall	Price Review Manager
Samantha Porter	Media and Public Affairs Manager
Jason Craig	Community Engagement Manager
Mark Beech	General Manager, Gas Networks
	Revolving members of the Executive Leadership Team including the CEO

### External Members

Kate Leslie	Alternative Technology Association
Gavin Dufty	St Vincent de Paul
Ben Martin Hobbs	Consumer Utilities Advocacy Centre
Victoria Johnson	Brotherhood of St Laurence
Dr Rhonda Cumberland	South East Community Links
Randal Harkin	Council on the Ageing
Craig Memery	Energy Consumers Australia