

Attachment 5.1

# Engaging Stakeholders on our Future Plans

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January 2020

**2021 - 2025**

# **Engaging stakeholders on our future plans**

**A proposed approach for consultation**  
July 2018

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## Consultation Questions

- 12\_\_\_\_\_ Have we identified all relevant customer and stakeholder groups?
- 14\_\_\_\_\_ Are these principles appropriate to develop plans that deliver for our stakeholders and customers?
- 15\_\_\_\_\_ Are our proposed engagement activities appropriate for our stakeholders?
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- 15\_\_\_\_\_ Should we establish a Stakeholder Roundtable with representatives across all our stakeholders?
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- 16\_\_\_\_\_ What are the most important aspects of our services?
- 16\_\_\_\_\_ What issues should we be considering in our future planning for the DBNGP?
- 16\_\_\_\_\_ What aspects of our future plans would you like to engage on?
- 19\_\_\_\_\_ Is our proposed approach open and transparent?
- 19\_\_\_\_\_ Are there ways to improve our proposed approach?
- 19\_\_\_\_\_ Have we provided sufficient activities and time to allow meaningful engagement to take place?

**We are Australian Gas Infrastructure Group. We provide natural gas transportation and other pipeline services for customers in Western Australia via the Dampier to Bunbury Natural Gas Pipeline (DBNGP).**

Our services play a critical role in the Western Australian economy. Through the DBNGP we transport gas directly to mining, industrial, commercial and power generation customers. We also transport gas to distribution networks in Perth and other towns to provide energy to homes and businesses.

We understand that the safety, reliability and security of the pipeline are important for our customers, and to support economic prosperity in Western Australia.

With this in mind, our future plans will be developed by ensuring we listen, understand and respond in the long term interests of our customers and stakeholders.

## Message from the CEO

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**“We believe that stakeholder engagement should be genuine, transparent and accessible. We take a no surprises approach to developing our business plans.”**

Ben Wilson CEO

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**We take great pride and responsibility in managing and operating Western Australia’s key gas transmission pipeline. The pipeline links critical industries throughout the State with gas supplies in the north-west, fueling economic growth in Western Australia.**

It is our vision to be the leading gas infrastructure business in Australia. We will do this by delivering for customers, being a good employer and being sustainably cost efficient.

As a custodian of critical infrastructure, and a regulated business, we must uphold good governance and ensure the decisions we make are in the long term interests of our customers and stakeholders. Our values – respect, trust, perform and one team, drive how we behave and how we make decisions.

We have delivered strong performance to the Western Australian community in the last few years. Our track record of 100% reliability of the DBNGP demonstrates our ongoing commitment to deliver for our customers. Most important is the safety of the public and employees working on the pipeline. To ensure we are continuously improving, we have introduced a new process safety regime to increase our ability to monitor the safe operation of the pipeline.

We are currently planning our future investment priorities and services for the pipeline to 2025. We do this through a process under the National Gas Access (Western Australia) Act 2009, which is administered by the Economic Regulation Authority (ERA). In December 2019 we will submit our plans to the ERA in the form of an Access Arrangement (AA) for the period 2021 to 2025.

Our objectives are to develop a plan delivers for current and future customers, is underpinned by effective stakeholder engagement, and is capable of being accepted by our customers and stakeholders.

We are also looking further to the future and how our business can play a role in a low carbon economy. In this context, our plans must be sustainable for future energy scenarios and we intend to be on the front foot. For example in South Australia we are demonstrating how hydrogen, which is produced using renewable electricity and recycled water, is a carbon free gas which can be injected into our network.

We are committed to best practice stakeholder engagement as part of our planning process. We have embedded stakeholder engagement into our distribution businesses in South Australia and Victoria, and I have seen first-hand the value this brings to our business.

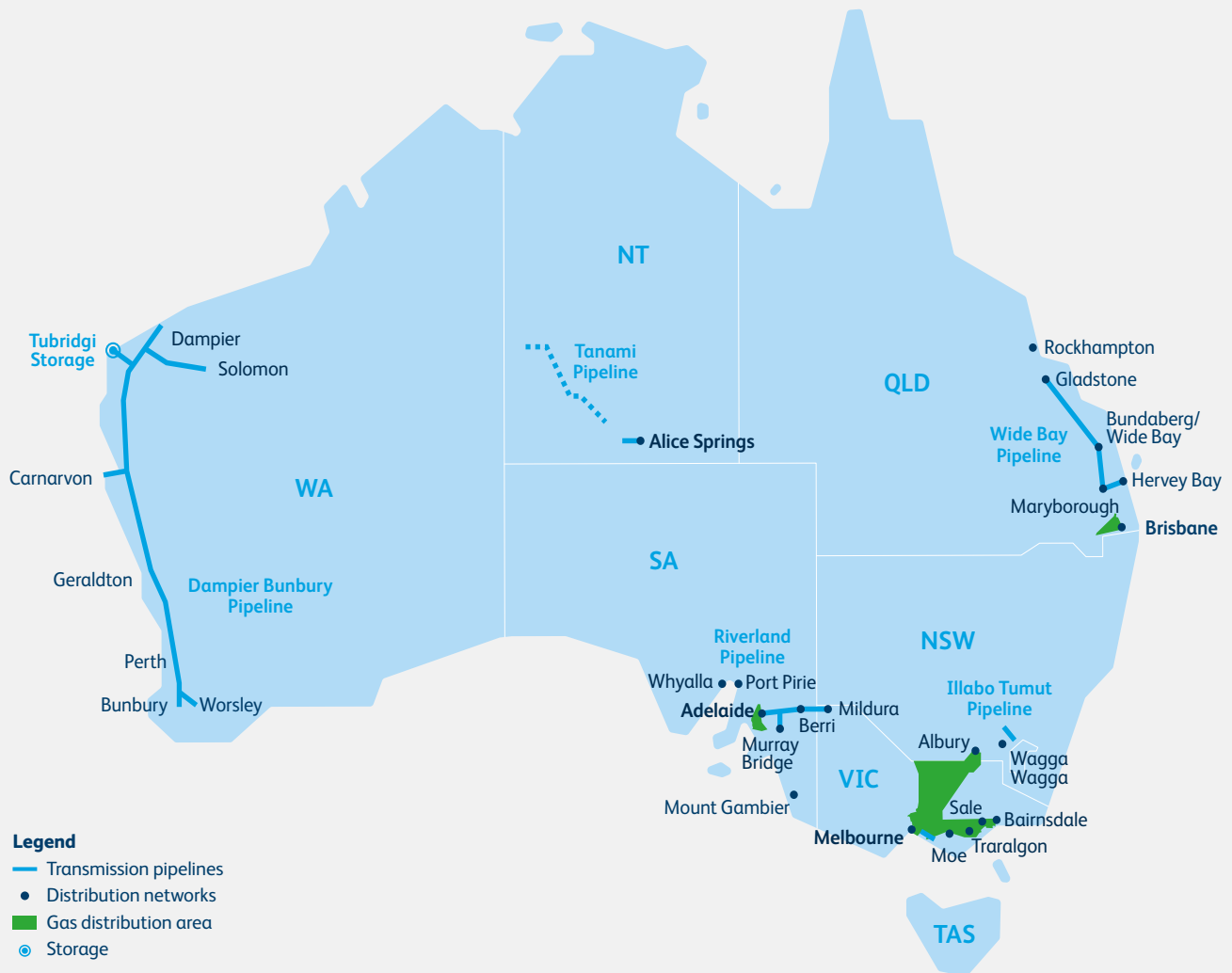
This document outlines how we proposed to engage with our customers and stakeholders and we are seeking your feedback and input into our approach.

**Ben Wilson**  
Chief Executive Officer

## About Australian Gas Infrastructure Group

In 2017 we brought together the operations of Dampier to Bunbury Pipeline (DBP), Australian Gas Networks (AGN) and Multinet Gas Networks (MGN) to form Australian Gas Infrastructure Group (AGIG).

AGIG combines the strengths of these three business to form one of the largest gas infrastructure businesses in Australia. We serve around 2 million customers across every mainland state and the Northern Territory through 34,000km of distribution and more than 3,500kms of transmission networks. In Western Australia we own and operate the Turbidge Gas Storage Facility with storage capacity of 42 petajoules.



### New South Wales

58,096 Customers  
43GJ per annum average residential consumption  
90%+ Penetration  
Distribution 1,962km  
Transmission 84km

### Northern Territory

1,137 Customers  
Distribution 39km  
Transmission 159km

### Queensland

101,794 Customers  
9GJ per annum average residential consumption  
30%+ Penetration  
Distribution 2,976km  
Transmission 285km

### South Australia

445,428 Customers  
17GJ per annum average residential consumption  
90%+ Penetration  
Distribution 8,238km  
Transmission 224km

### Western Australia

2,279km gas transmission  
42PJ gas storage

### Victoria

1,364,858 Customers  
51GJ per annum average residential consumption  
90%+ Penetration  
Distribution 21,856km  
Transmission 547km

## Our Vision & Values

**Our vision is to be the leading gas infrastructure business in Australia. Our definition of leading is to achieve top quartile performance compared to other Australian gas infrastructure businesses across all our key targets. Our vision sets out the following three key objectives that we consider are consistent with being the leading natural gas distributor in Australia:**

- Delivering for customers – which means ensuring public safety and the provision of high levels of reliability and customer service.
- A good employer – which means ensuring the health and safety of our employees and contractors, and having an engaged and skilled workforce.
- Sustainably cost efficient – which means getting the work done, but within benchmark cost levels, and pursuing growth, always ensuring we are environmentally and socially responsible.

### Our Vision



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**Our values of respect, trust, perform and one team drive our culture, how we behave, and how we make decisions.**

As guardians of critical infrastructure which provide essential services to Australians, we must ensure we act with integrity and do the right thing for current and future generations.

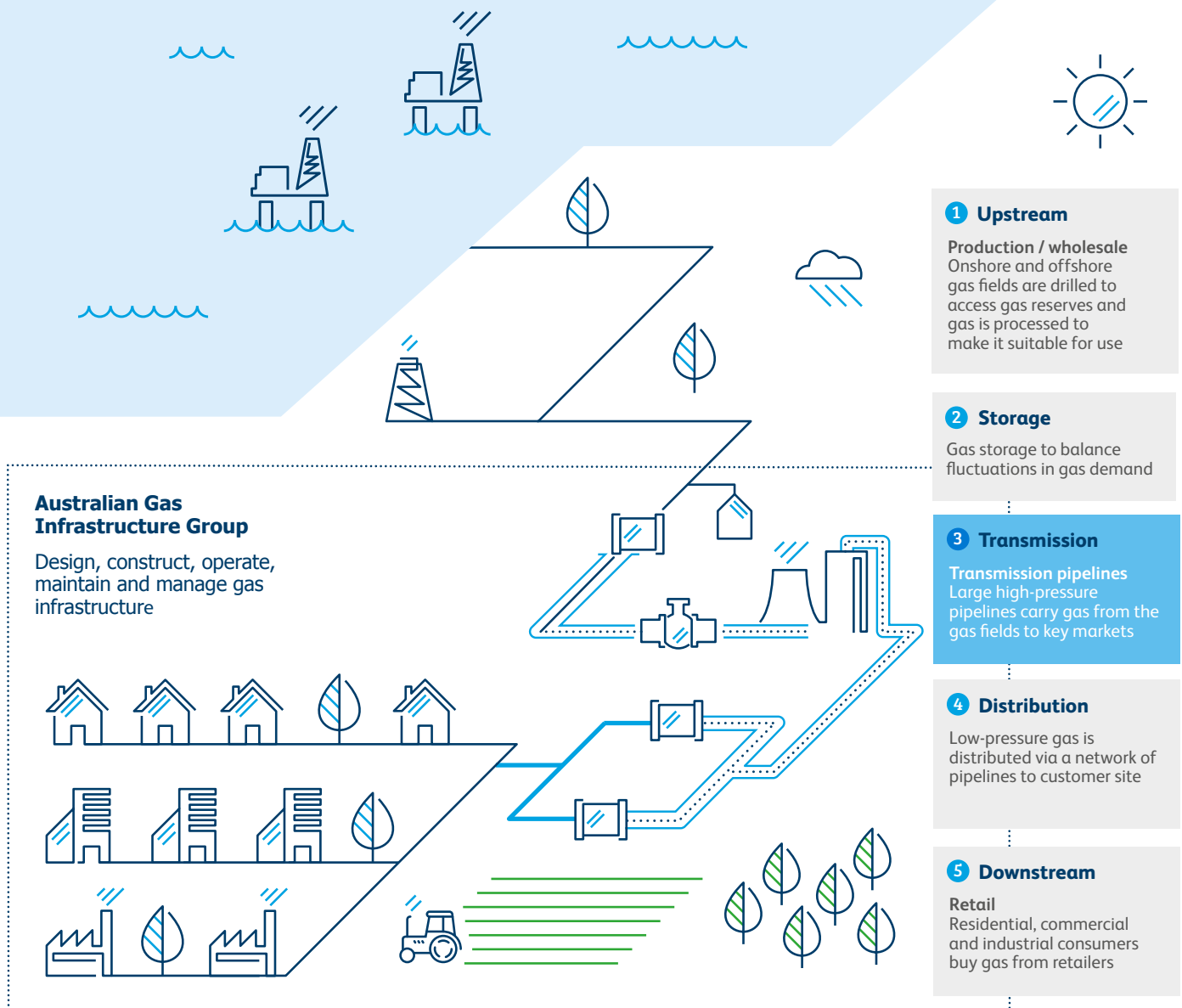
## Our Values



# The Gas Supply Chain

AGIG owns and operates gas infrastructure including transmission pipelines, distribution networks and gas storage across Australia. We play an important role in the safe and reliable supply of gas to customers at various parts of the gas supply chain. Key components of the gas supply chain are illustrated below and include upstream, transmission, distribution, storage and downstream.

The DBNGP is a transmission pipeline carrying gas from production facilities in the north west of Western Australia. Over 90% of gas transported through the DBNGP is delivered to large customers connected to the pipeline. The remainder is delivered to the gas distribution network owned by ATCO Gas Australia, which in turn delivers the gas to homes and business. Their customers are billed by the retailer of their choice. For Perth businesses and householders, only 3% of the total retail bill are a result of our transmission costs.





## Our Role in Western Australia

**Western Australia is the most energy and gas dependent economy in Australia with natural gas contributing up to 50% of the primary energy usage and gas fuelling approximately 50% of the state's electricity generation.**

The DBNGP is Western Australia's most critical piece of domestic energy infrastructure and is the backbone of the state's economy.

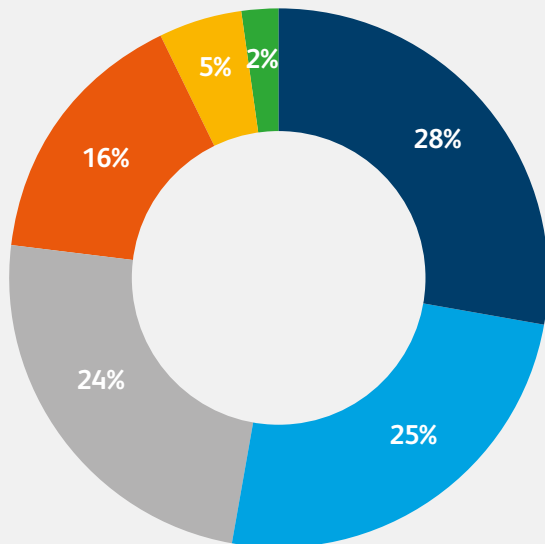
Our customers, also known as shippers, receive gas transportation and other services from us. It is our job to transport large quantities of gas safely and reliably, every day.

One of the largest capacity natural gas pipelines in Australia, the pipeline carries gas from production facilities to customers throughout the state. The pipeline stretches almost 1,600km, linking the gas fields located in the state's north west directly to mining, industrial, and commercial customers, and ultimately via distribution networks (not owned by AGIG) to residential customers in Perth. Starting near the township of Dampier, the pipeline runs parallel to the west coast of Western Australia and finishes near Bunbury.

### The Dampier to Bunbury Natural Gas Pipeline



### Industries receiving gas via the pipeline in 2017



- Mineral processing
- Electricity generation
- Mining
- Petroleum / chemicals
- Retail gas
- Gas injection storage



### About the Dampier to Bunbury Pipeline



Main pipeline length

**1,530km**

The Dampier to Bunbury Natural Gas Pipeline (DBNGP) is the longest natural gas pipeline in Australia.



THE MAINLINE, LOOP AND LATERAL PIPES ARE ALL BURIED UNDERGROUND



**26 IN.**

Diameter of mainline pipe

**85%**

Of pipeline looped

**1 TJ. GAS**

Can supply the average home for about 50 years.



#### THE PIPELINE IS MONITORED

24 HOURS A DAY, 7 DAYS A WEEK, 365 DAYS A YEAR



When first constructed, the system capacity was

**360 TJ/day**

The current capacity of the pipeline is

**845 TJ/day**

Continuous operation since

**1984**

**107,000**

Hours of planned maintenance for 2018

**680**

Terajoules of gas transported a day (25.06.2018)



#### THE PIPELINE CONSISTS OF

10 COMPRESSORS STATION SITES WITH 20 OPERATIONAL TURBINES

## Our Stakeholders

**Given the important role the DBNGP plays in Western Australia, there are a number of stakeholders who have a vested interest in, or are impacted by our transmission business.**

We have identified key groups which represent our customers, indirect customers and key stakeholders/ businesses in the gas supply chain. Government departments and agencies are also identified as a key stakeholder group recognising that the DBNGP is a part of broader energy policy, land management, safety and environmental protection discussions.

### Our Stakeholders



### Consultation questions

1. Have we identified all relevant customer and stakeholder groups?






 Dampier Bunbury  
Pipeline

RICK

## Our Commitment to Stakeholder Engagement

**We are committed to actively engaging with stakeholders to shape our future plans. We have adopted a series of engagement principles to guide how we intend to engage with our customers and stakeholders.**







Commitment	How we deliver
<b>Genuine and committed</b> 	<b>We listen and respond to the needs of our customers and stakeholders, driving a culture of delivering value for our customers.</b> Engagement is led from the top Stakeholder engagement is embedded in our business planning We are always looking for ways to improve
<b>Clear, accurate and timely communication</b> 	<b>We provide information that is clear, accurate, relevant and timely.</b> Online and print fact sheets Briefings and information forums Publication of draft plans
<b>Accessible and inclusive</b> 	<b>We involve customers and stakeholders on an ongoing basis in a meaningful way, to ensure that our plans deliver for our customers.</b> Stakeholder meetings Roundtables and workshops Forums and information sessions Online engagement
<b>Transparent</b> 	<b>We clearly identify and explain the role of customers and stakeholders in the engagement process, and consult with customers and stakeholders on information and feedback processes.</b> Publication and consultation of our proposed stakeholder engagement approach Online public reporting We publish and consult on our reports We report how we used stakeholder insights to inform plans
<b>Measurable</b> 	<b>We measure the success, or otherwise, of our engagement activities</b> Seek stakeholder feedback at all key stages of our engagement Report on feedback Identify ways we can improve our approach

### Consultation questions

2. Are these principles appropriate to develop plans that deliver for our stakeholders and customers?

## Engagement Activities

We are proposing a range of options for engagement activities to support the development of our plans.

Activity	Description	Stakeholder Groups
<b>Stakeholder meetings</b> 	<p>We will be meeting with shippers and stakeholders throughout our engagement program to ensure we understand our individual shippers and stakeholder needs and expectations.</p> <p>We propose to continue stakeholder meetings throughout Stages 2 – 4 as required.</p>	All
<b>Shipper Roundtable</b> 	<p>We are considering establishing a Shipper Roundtable to guide the development of plans in Stages 2 and 3.</p> <p>The purpose of a Shipper Roundtable would be to bring together representatives from our customers to be actively engaged in the development of our plan.</p>	<p>Shippers</p> <p>ERA (as an observer)</p>
<b>Stakeholder Roundtable(s)</b> 	<p>We are considering establishing a general stakeholder roundtable with representation from across our stakeholder segments.</p> <p>We are considering topic based roundtables on key issues such as urban development, and the future of the pipeline.</p>	<p>Consumer representative groups, Government agencies, Land owners and developers</p> <p>ERA (as an observer)</p>
<b>Deep dives</b> 	<p>Where there is a need to do an in-depth examination or analysis of a topic, we will hold 'deep dive' workshops.</p>	Shippers, Consumer representative groups.
<b>Information Sessions/ Forums</b> 	<p>We propose to hold information sessions and forums at key milestones in the engagement program to share insights and how feedback is used to inform our plans.</p>	All
<b>Online Engagement</b> 	<p>We are developing an online engagement platform to provide easy access to information 24/7 and allow digital engagement.</p>	All

### Consultation questions

- Are our proposed engagement activities appropriate for our stakeholders?
- How would you like to participate in our process?
- Should we establish a Shipper Roundtable to guide and inform our plans?
- Should we establish a Stakeholder Roundtable with representatives across all our stakeholders?
- Should we establish roundtables on specific topics?

## Our Future Plans 2021 – 2025

**As Western Australia continues to grow, we will continue to plan and operate the pipeline safely and reliably into the future.**

It is our intention to use this planning process to develop a plan which

- Delivers for current and future customers;
- Is underpinned by effective stakeholder engagement; and
- Is capable of being accepted by our customers and stakeholders.

There are a number of key topics we are interested in engaging on relating to the services we provide, as illustrated below.

### Delivering for customers today

**Ensuring our services continue to meet the needs of our customers**



Examples:

- **Reliability** – We want to understand the importance and value of reliability, availability and capacity of the pipeline
- **Products and Services** – We want to make sure the products and services we offer are responsive to the needs of our customers, and the changing dynamics of gas supply (e.g. supply from new reserves, specs of new supplies and blending of hydrogen)
- **Terms and Conditions** – We want to make sure the terms and conditions of our transportation services support efficient operation and utilisation of the pipeline
- **Future Price Paths** – We want to understand customer preferences for price paths and price stability over the next five years and into the future

### Delivering for customers in the future

**Preparing for the future of gas in a low carbon economy**



Examples:

- **Future Planning** – Energy supply markets are evolving, we want to discuss what the future looks like for our customers and our gas transportation services 10 to 30 years from now
- **Innovation** – We are committed to innovation and want to understand what role our customers and stakeholders expect us to play in renewable energy technologies, meeting renewable energy targets and achieving decarbonisation of energy supply
- **Renewables** – We want to understand the likely impacts of renewable technologies and decarbonisation on our customers and our pipeline

### Consultation questions

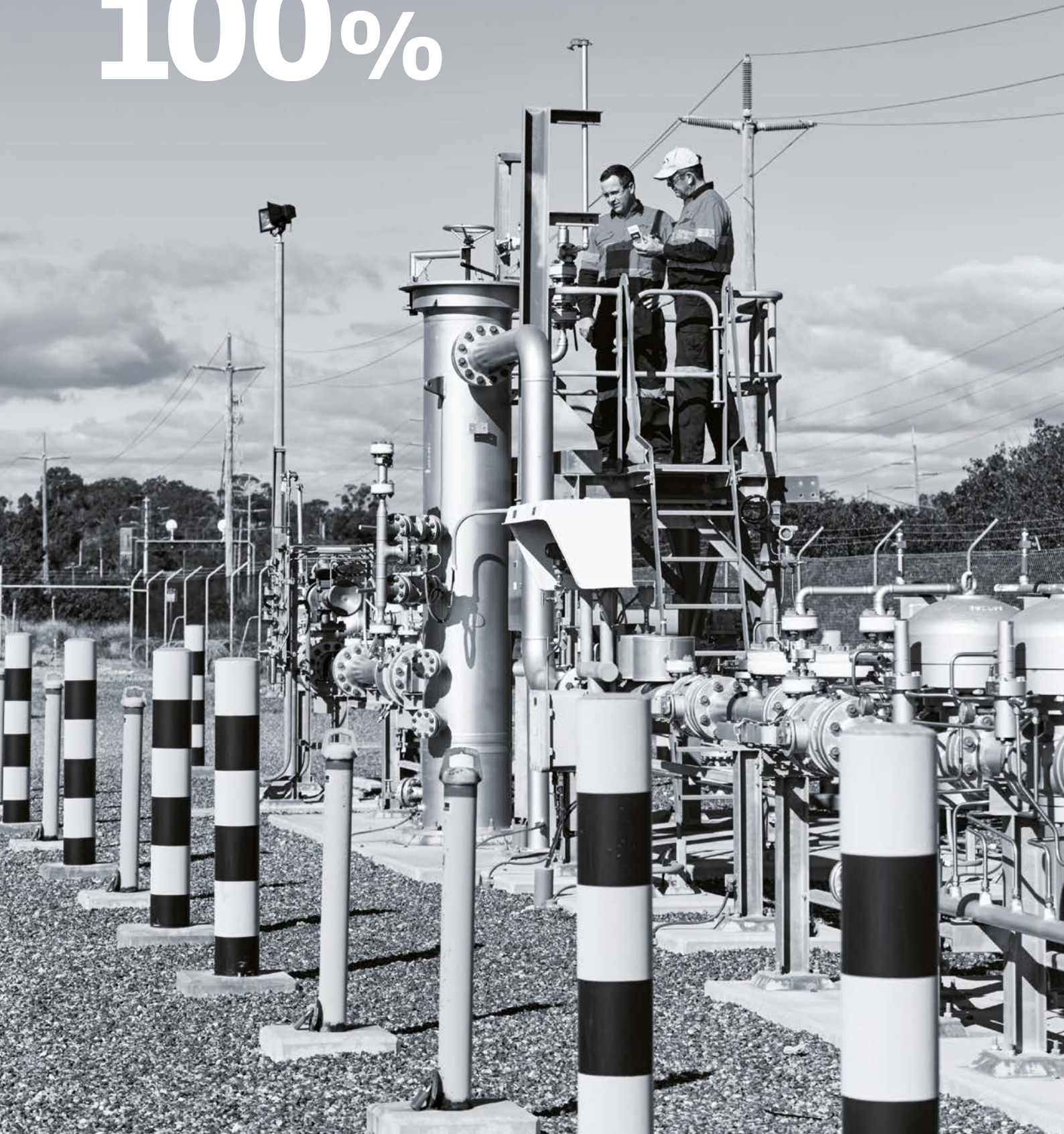
8. What are the most important aspects of our services?
9. What issues should we be considering in our future planning for the DBNGP?

10. What aspects of our future plans would you like to engage on?

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Transmission  
Reliability

100%



## Our Engagement Approach

We are proposing to adopt a four stage approach to engage and involve stakeholders in our planning process.

Ongoing communications with stakeholders			
 <b>Stage 1</b> Strategy & Research	 <b>Stage 2</b> Developing our Plan	 <b>Stage 3</b> Consultation on our Plan	 <b>Stage 4</b> Refinement & ongoing engagement
<p>This is a research stage to better understand customer and stakeholder needs and expectations. It will also include consultation on our proposed engagement strategy. This will ensure we are engaging in a way that meets stakeholder expectations.</p> <p>In this phase we test our assumptions about what's important to our customers and stakeholders – and what topics they want to be engaged on.</p>	<p>The findings from Stage 1 will be used to inform the drafting of our plan.</p> <p>Stage 2 includes targeted engagement activities on our investment proposals and regulatory modelling.</p> <p>In this stage we will run roundtables and workshops, consulting on key topics to guide the development of our plan.</p>	<p>This stage focuses on consultation on our Draft Plan.</p> <p>We will actively engage with stakeholders using high quality communications and engagement activities (e.g. briefings, deep dive workshops, online engagement) to ensure we maximise stakeholder participation.</p>	<p>Consultation feedback from Stage 3 will be used to inform our Final Plan for lodgement to the ERA.</p> <p>We will continue our engagement efforts after we submit, including as the ERA reviews our submission.</p>
<b>Key deliverables</b> Engagement Strategy – final strategy for how we will engage with our customers and stakeholders.  Stage 1 Stakeholder Engagement Report – a summary report of customer and stakeholder feedback on Stage 1.	<b>Key deliverables</b> Stage 2 Stakeholder Engagement Report – a summary report of customer and stakeholder input into our developing our plans in Stage 2.	<b>Key deliverables</b> Draft Plan  Consultation Guide to the Draft Plan – a summary guide to assist our customers and stakeholders to provide feedback on our Draft Plan.	<b>Key deliverables</b> Final Stakeholder Engagement Report – a summary report of customer and stakeholder engagement feedback and input across all four stages of our engagement program.

## Our Timeline

Our proposed timeline of engagement activities is illustrated below. This timeline shows the periods for consultation (in blue) and how we will report against our engagement activities (in orange).

A key feature of our timeline is the publication of our draft plan for consultation, prior to formal lodgement of our plans to the regulator.



### Consultation questions

11. Is our proposed approach open and transparent?
12. Are there ways to improve our proposed approach?

13. Have we provided sufficient activities and time to allow meaningful engagement to take place?

### Feedback

The consultation period for this document is  
1 July to 31 August 2018.

For more information, or to set up a stakeholder  
meeting, please contact:

Kristen Pellew  
Manager Stakeholder Engagement

D +61 8 8418 1137  
M 0413 454 697  
E [kristen.pellew@agig.com.au](mailto:kristen.pellew@agig.com.au)

### For commercial queries, please contact:

Rachael Smith  
Senior Commercial Manager DBNGP

D +61 8 9223 4318  
M 0422 910 086  
E [rachael.smith@agig.com.au](mailto:rachael.smith@agig.com.au)

### Online

To make an enquiry or provide feedback online  
[haveyoursay@agig.com.au](mailto:haveyoursay@agig.com.au)

For more information about the DBNGP and  
Australian Gas Infrastructure Group

[www.dbp.net.au](http://www.dbp.net.au)  
[www.agig.com.au](http://www.agig.com.au)

### Our Offices

Australian Gas Infrastructure Group  
Level 6, 400 King William Street  
Adelaide, SA 5000

Dampier to Bunbury Pipeline  
12 – 14 The Esplanade  
Perth, WA 6000



Dampier Bunbury  
Pipeline



Multinet  
Gas Networks



Australian  
Gas Networks