



VOICE OF CUSTOMER PROGRAM

Residential Customers – North Metro

6:00 pm | 24 October 2017

WELCOME



Customer insights gathered today will be used to inform investment planning



ENGAGE

Oct 2017

Conduct engagement activities and capture insights



CONSIDER

Nov 2017 – Jan 2018

Integrate customer insights into business planning



RE-ENGAGE

Feb 2018 onwards

Validate plans and insights with sample customers



DRAFT

Mar – Aug 2018

Refine and publish our draft plans



SUBMIT

Sep 2018

Submit our final business plans to the regulator

We would like to understand

- 1 Your needs and priorities as current gas consumers
- 2 Your thoughts about future investments we are considering
- 3 Your preferences on how you would like to engage with us

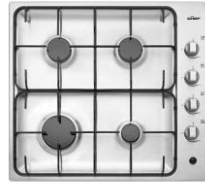
DISCUSSION

How do you use natural gas today?

OVEN



COOKTOP



WATER HEATER



HEATER



DECORATIVE HEATING



BBQ



“

Is there anything else that comes to mind when you think of ‘natural gas’?

”

TOPICS FOR TODAY

ABOUT US

AFFORDABILITY

SAFETY, RELIABILITY
& GROWTH

CUSTOMER
EXPERIENCE

- | | | |
|-------|------------------------------|------------|
| 1 | WELCOME | 10 minutes |
| 2 | ABOUT US | 20 minutes |
| 3 | SAFETY, RELIABILITY & GROWTH | 45 minutes |
| BREAK | | |
| 4 | AFFORDABILITY | 30 minutes |
| 5 | CUSTOMER EXPERIENCE | 30 minutes |
| 6 | WHAT'S NEXT | 5 minutes |

“

What do you know about ATCO?

”

ABOUT US

How natural gas is supplied to you



PRODUCTION



TRANSMISSION



DISTRIBUTION



RETAIL



YOUR BILL

Our Distribution Network



Our values



Caring

We care about the safety and wellbeing of our consumers, and our employees and their families, our communities, and the environment.



Transparency

We are clear about our intentions and communicate openly.



Entrepreneurship

We are creative, innovative, and take a measured approach to opportunities, balanced with a long term perspective



Integrity

We are honest and ethical, and treat others with fairness, dignity and respect.



Accountability

We make good decisions, take personal ownership of tasks, are responsible for our actions, and deliver on our commitments.



Perseverance

We persevere in the face of adversity with courage, a positive attitude, and a fierce determination to succeed.



Collaboration

We work together, share ideas, and recognise the contribution to others.

We believe that gas is an integral step in the journey towards a low carbon future



Natural Gas



Biogas



Hydrogen



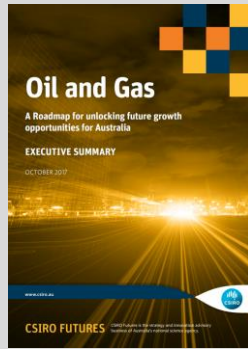
Battery storage



Carbon capture



Solar PV



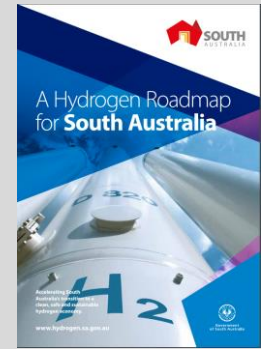
CSIRO Australia
Oil and Gas Roadmap



European Commission
Fuel Cells and Hydrogen Joint
Undertaking



Australian Gas Networks
Renewable Energy Pilot



South Australian Government
Hydrogen Energy Roadmap

What makes up your gas bill?

Average annual residential bill
\$660

PRODUCTION

TRANSMISSION

DISTRIBUTION

RETAILER

11%
OF YOUR BILL



3%
OF YOUR BILL



30%
OF YOUR BILL



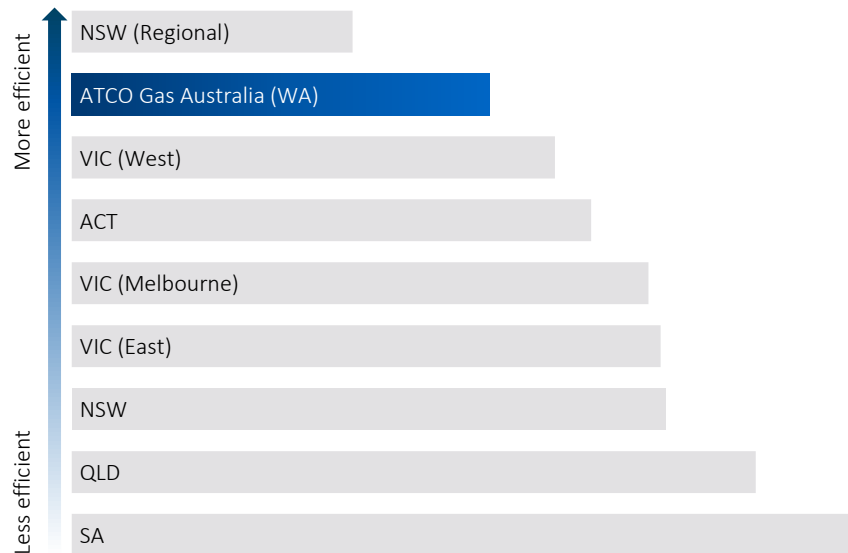
56%
OF YOUR BILL



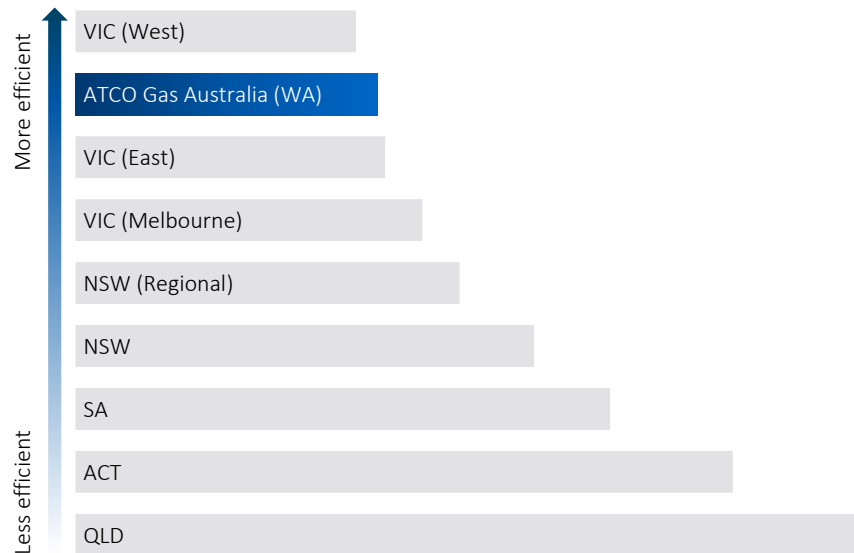
Based on national benchmarks, we are outperforming our peers and run an efficient operation



Operating expenditure
per KM of pipeline

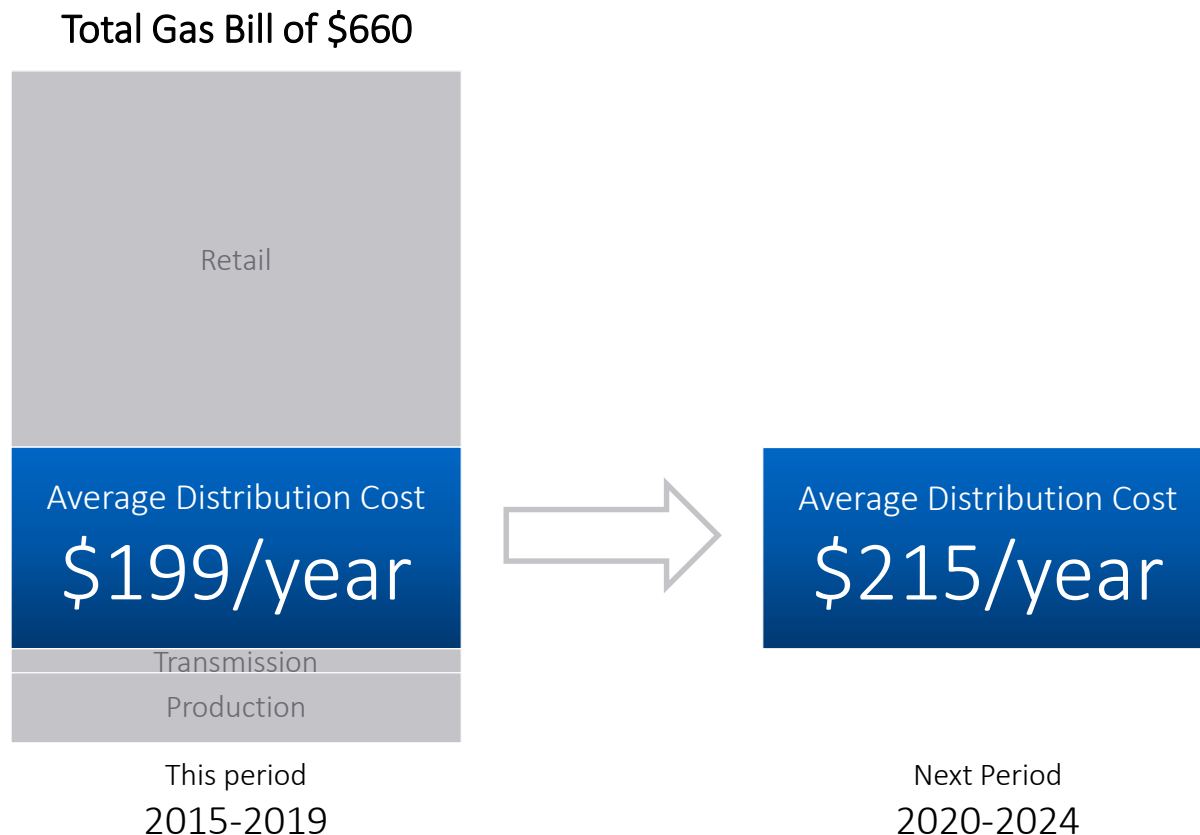


Operating expenditure
per Customer



Data is based on average annual OPEX over 2007 – 2016 period

We will continue to invest and operate a growing network to promote competition



SAFETY, RELIABILITY & GROWTH



Can you recall the last time your gas supply was disrupted?

Would you pay more to improve your current reliability?

Would you pay less to reduce your current reliability?




WORKSHEET ACTIVITY

Do you support our investment in these programs?

During this section we will ask you to complete this worksheet as we discuss each of the programs.

WORKSHEET | INVESTMENT PRIORITIES



Name _____ Date _____

Have your say in our potential investments

Investment	Approx. annual cost	Do you support this program?	Why?	Priority (1 to 4)
Mains Replacement program On-going work required to replace aging mains pipelines and assets.	\$12 per customer per year	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Network Expansion program Upgrade and new pipes to meet current and future demand.	\$12 per customer per year	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Network Monitoring program Monitoring and remote control technology across the network.	\$5 per customer per year	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Meter Replacement program Routine exchange of aged domestic gas meters with new meters.	\$4 per customer per year	<input type="checkbox"/> Yes <input type="checkbox"/> No		

Investing in the following four programs will allow us to operate and grow a safe and reliable network

Mains Replacement

On-going work required to replace aging mains pipelines and assets.

Network Expansion

Upgrade and new pipes to meet current and future demand.

Network Monitoring

Monitoring and remote control technology across the network.

Meter Replacement

Routine exchange of aged domestic gas meters with new meters.

KEY PROGRAMS

Mains replacement program



What we will do

- We will replace approx. 300 km of mains infrastructure
- Priority for replacement will be based on risk

What this will cost you

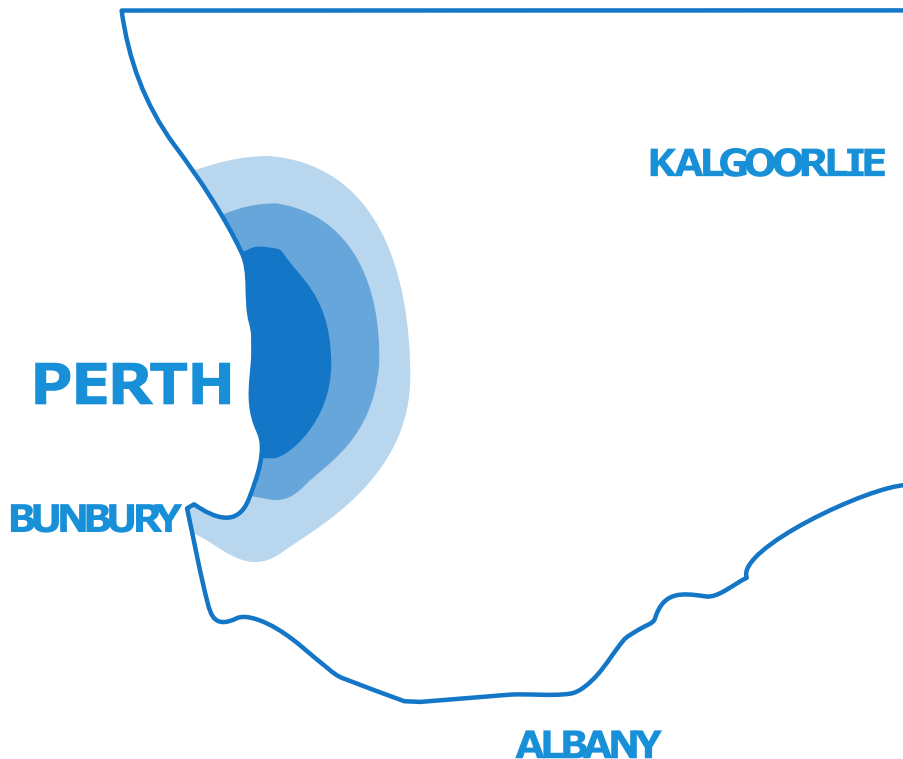
- Approx. \$12 of your bill per year

What it means for you

- Continued access to a safe and reliable supply of natural gas for all of our gas customers

KEY PROGRAMS

Expansion program



What we will do

- Install new pipes that connect gas from the transmission line to:
 - Two Rocks (67,000 dwellings)
 - Baldivis (36,000 dwellings)
 - Peel (22,000 dwellings)
- Install internal pipes that reinforce the strength and reliability of the network in:
 - Hillarys (26,000 dwellings)
 - Kingsley (25,000 dwellings)
 - Scarborough (25,000 dwellings)

What this will cost you

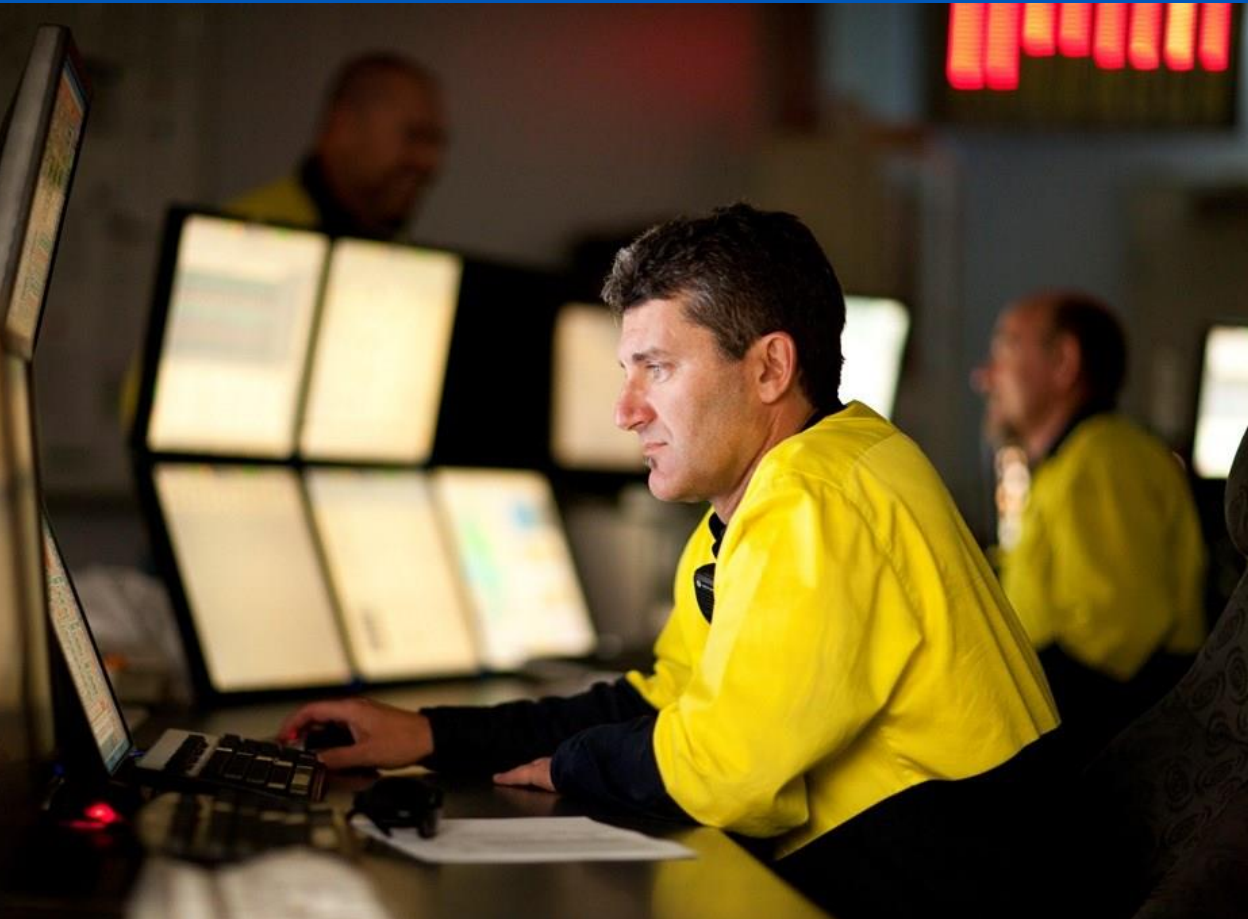
- Approx. \$12 of your bill per year

What it means for you

- As our network grows, this will ensure that all Western Australians have a safe and reliable supply of gas to their home

KEY PROGRAMS

Network monitoring program



What we will do

- Install specialised devices to monitor the network and automatically collect information about gas pressure and quality
- Implement monitoring and control software / technology to remotely isolate and calibrate the network

What this will cost you

- Approx. \$5 of your bill per year

What it means for you

- Faster and more efficient response to network issues and customer queries
- Ability to provide customers with more accurate information and plan accordingly

KEY PROGRAMS

Meter replacement program



What we will do

- We will replace approx. 170,500 residential meters over five years

What this will cost you

- Approx. \$4 of your bill per year

What it means for you


- Continue to receive accurate bills

WORKSHEET ACTIVITY

Your preference on investment priority

Please rank the investments
in priority order

WORKSHEET | INVESTMENT PRIORITIES



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BREAK

AFFORDABILITY

Re-cap: We are 30% of your total gas bill

Average annual residential bill
\$660

PRODUCTION

TRANSMISSION

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11%
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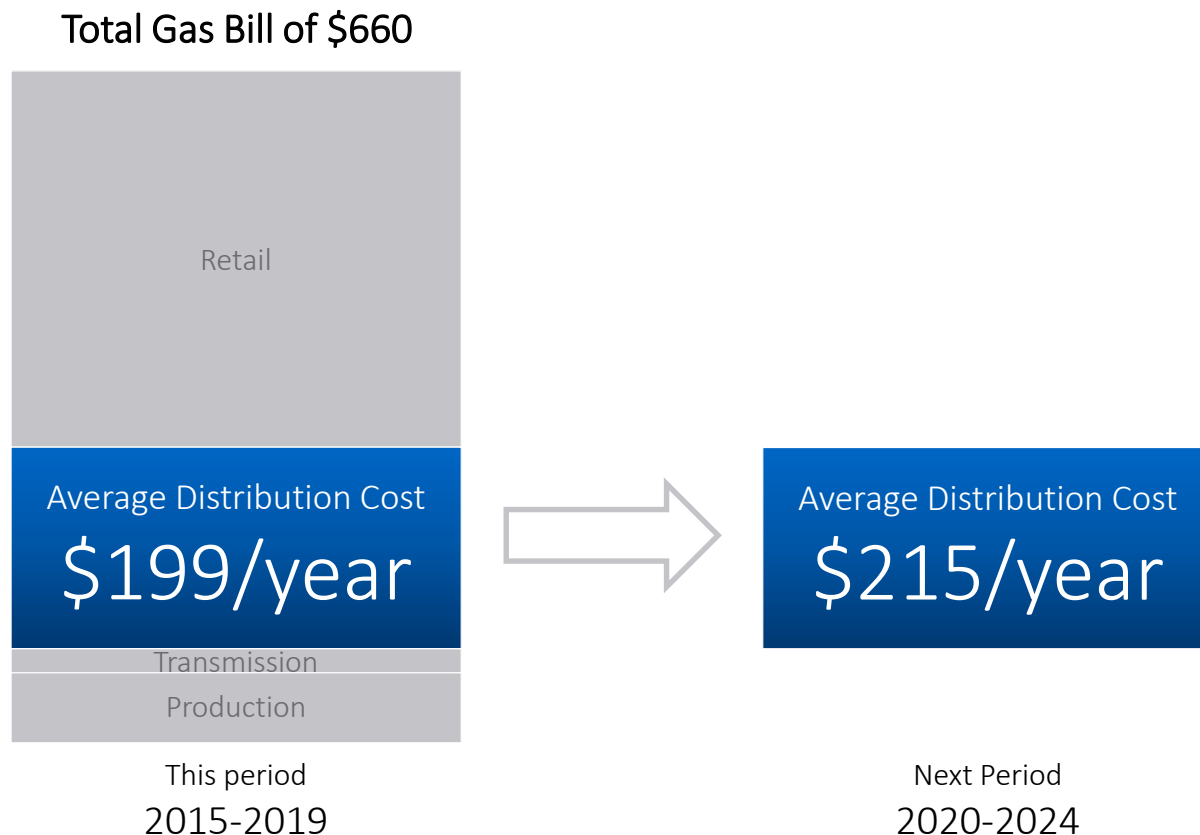
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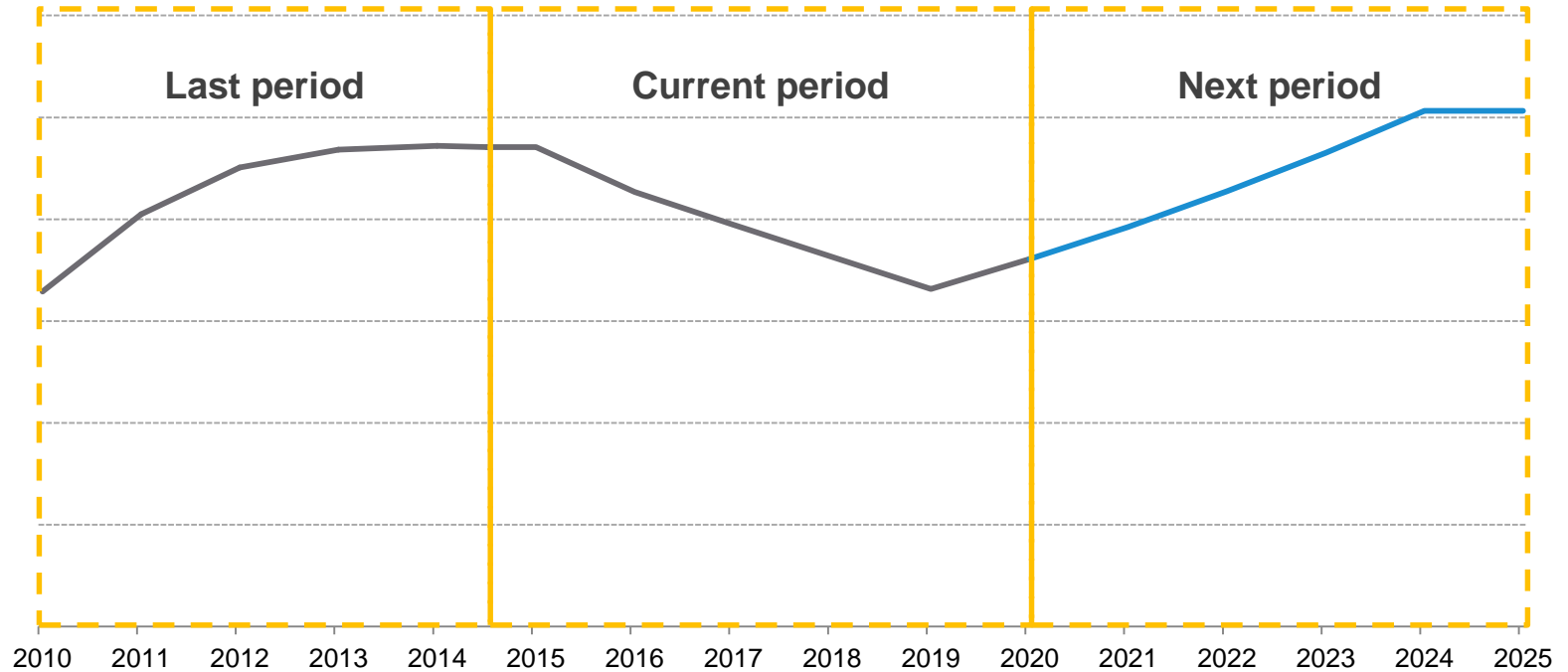
Kleenheat



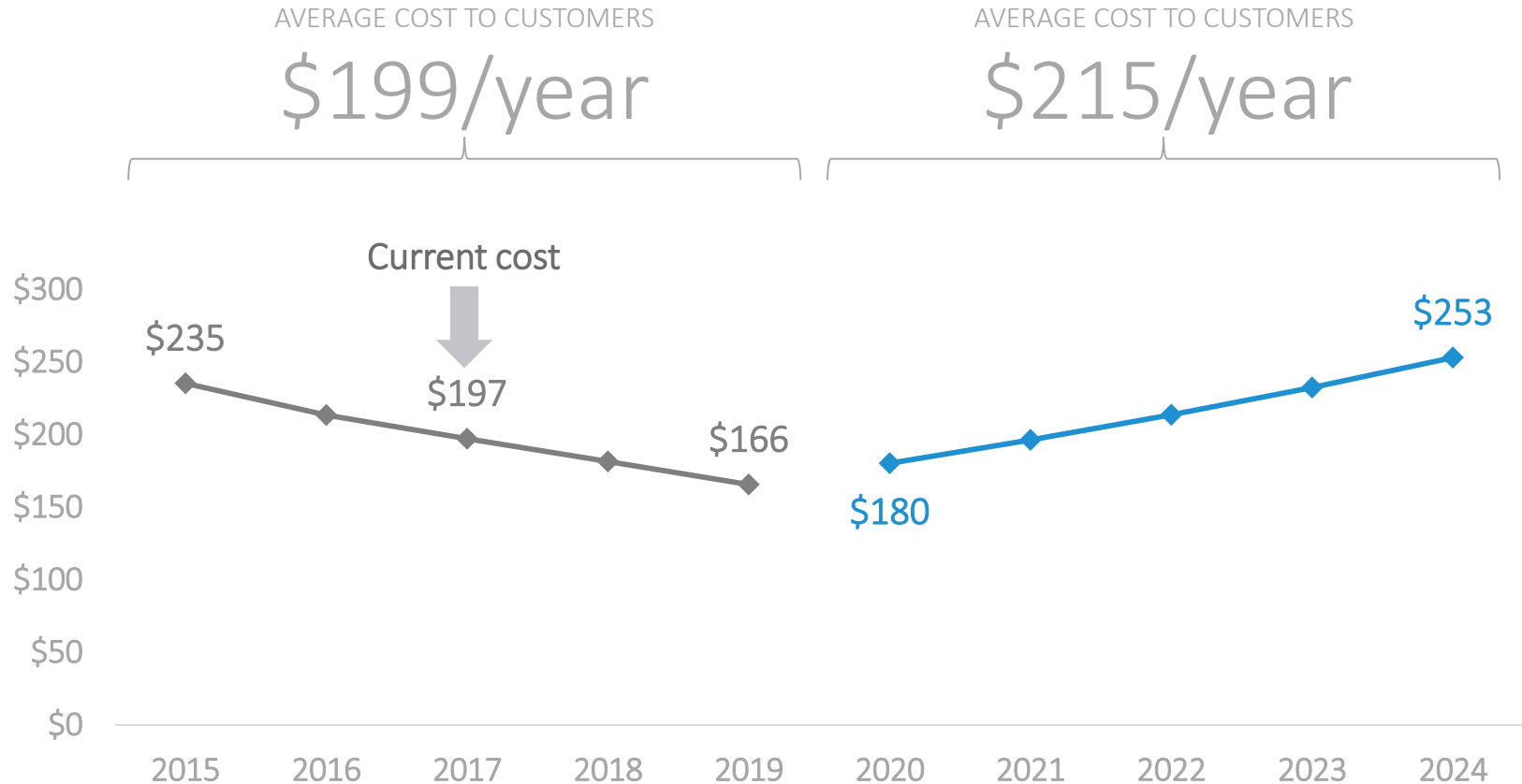
Re-cap: We are 30% of your total gas bill



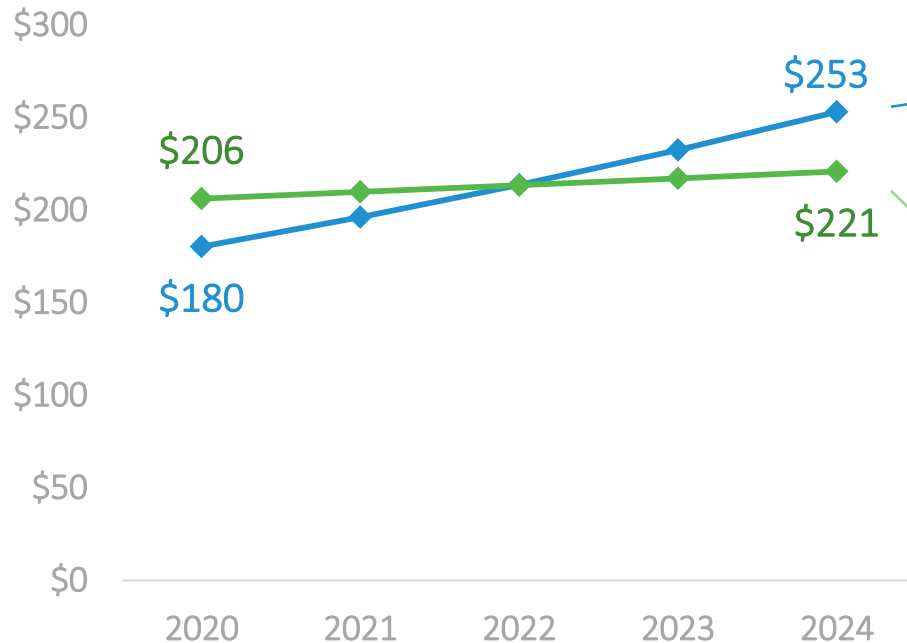
Our prices change every five years



Future costs will increase from \$199/year to \$215/year



There are two options under consideration for your future costs



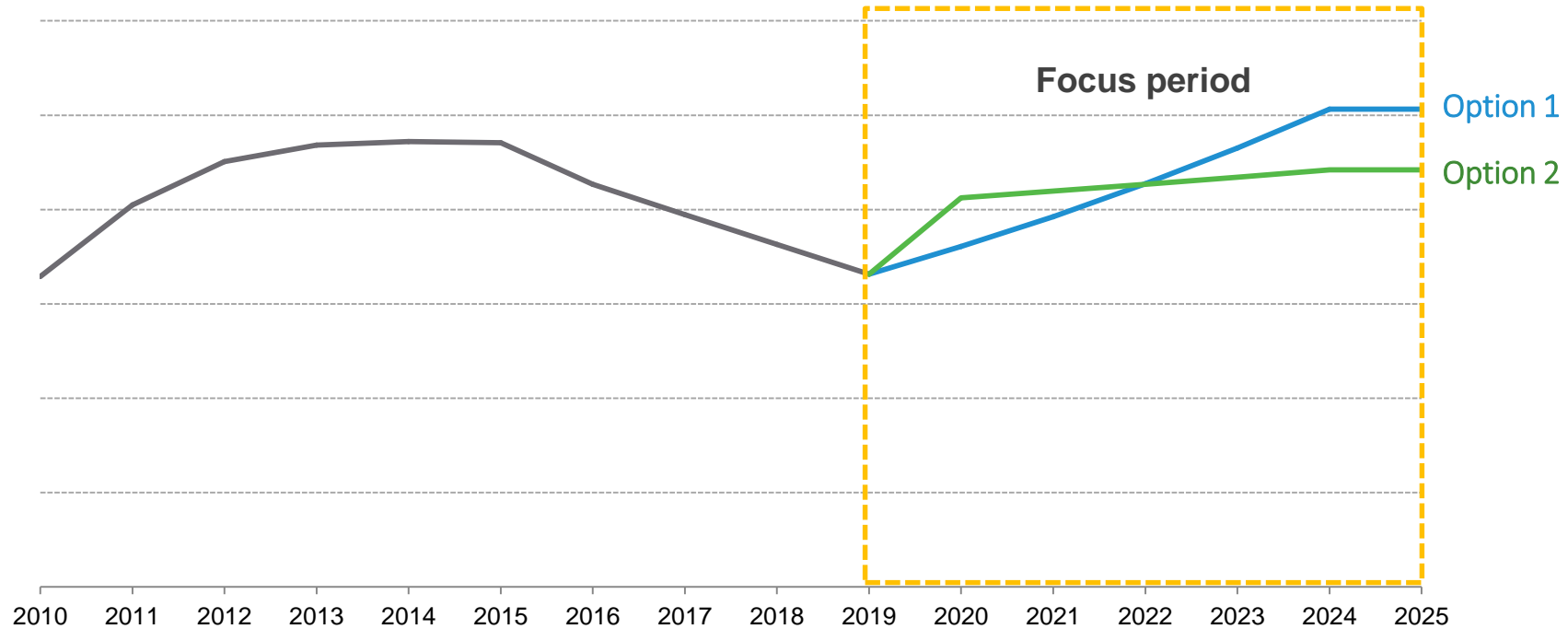
Option 1

- Average of \$215/year
- \$14 increase from \$166 in 2019 to \$180 in 2020
- Consistent annual increases – \$253 by 2024

Option 2

- Average of \$214/year
- \$40 increase from \$166 in 2019 to \$206 in 2020
- Initial increase, with ongoing increases in-line with inflation – \$221 by 2024

There are two options under consideration for your future costs




WORKSHEET ACTIVITY

What's your preference on the price path for the next period?

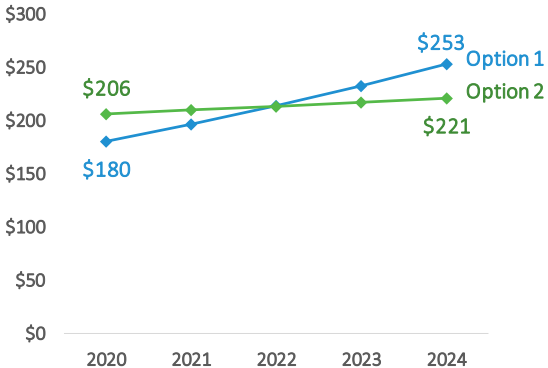
Complete the worksheet on
price path preferences

Name _____ Date _____



WORKSHEET | PREFERENCES ON PRICE PATH

What is your preference on distribution cost increases for the next period?
Check the box to indicate your preferred option and state the reasons for your choice.



Year	Option 1 Price (\$)	Option 2 Price (\$)
2020	180	206
2021	206	210
2022	214	214
2023	238	218
2024	253	221

☐ **Option 1**

- Initial \$14 increase from 2019 price point
- 2024 price is \$253

☐ **Option 2**

- Initial \$40 increase from 2019 price point
- 2024 price is \$221

Why do you prefer this option

CUSTOMER EXPERIENCE

DISCUSSION


What does great customer experience look like?



WORKSHEET ACTIVITY

How would you like to communicate with us?

Complete the worksheet
on communication
preferences



Name: _____ Date: _____

I

Communication preferences

What are your preferences when engaging with ATCO Gas?

Mark with an 'X' your preferred channels, and provide a response as to why you prefer this channel.

	Digital	Phone	Print	Media	In-person	N/A	
ATCO public website							
ATCO secure online portal							
Email							
ATCO mobile app							
ATCO social media page(s)							
Web chat on ATCO website							
Phone call							
Text message							
Printed letter by mail							
Newspaper							
Printed flyer / banner							
TV broadcast / advert							
Radio broadcast / advert							
Community workshop							
Field technician / gas fitter at your premises							
Shopping centre pop-up store							
No preference							

Why do you prefer this method(s)?

Natural gas awareness, connections, usage, switching retailers and disconnections

Natural gas awareness, advocacy and safety programs for the community

Availability of natural gas in my area

Gas filters, plumbers & appliance retailers in my area

Types of gas connection / fittings

Meter reads

Gas appliances and running costs

Gas tariffs and pricing

Disconnecting & moving meters

Switching to another retailer and tracking progress

Maintenance work and supply disruptions

Planned outages and disruption (gas supply or traffic) in my area

Unplanned outages and disruption (gas supply or traffic) in my area

Gas leakages and reports

Gas safety and community awareness initiatives

Mains and meter replacement programs

Awareness of ATCO Gas and locations of assets

ATCO's operations & future plans

Raising feedback

Chat before you dig

Raising a complaint

Reporting a gas leak

We want to make it easy for you to interact with us, and we are investing to deliver great customer experiences

Digital

Contact Centre

Customer Experience

Our GasSola solution combine PV solar panels, battery storage and a gas powered generator



What customers have told us to date:

- Nearly one-in-five (18%) customers indicated they were extremely interested
- 58% of couples with dependent children indicated they were quite interested
- 43% of households strongly agreed that they need to 'do their bit' to reduce greenhouse gases
- The majority of households would like to use more renewable energy at their home

We will be progressing further through the Jandakot Energy Hub



DISCUSSION

Your say on the future of clean energy

“

We have just given an overview of our clean energy initiatives

- Do you think we should be doing more?
- Do you think we should do this faster?
- Where else do you think we should focus our efforts?

”

WHAT'S NEXT

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Thank you