



27 October 2017

Multinet Gas

Mr David Young
Director Energy
Essential Services Commission
Level 37
2 Lonsdale Street
Melbourne 3000

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Email: energy.submissions@esc.vic.gov.au

Dear David

Re: Review of Unaccounted for gas benchmarks – Draft Decision - Calculation, October 2017

Multinet is pleased to respond to the Essential Services Commission (ESC) draft decision “*Review of Unaccounted for Gas Benchmarks, Draft Decision - Calculation*”.

Multinet notes the ESC’s acceptance in the draft decision of all aspects of our proposal. In particular, we welcome and support the following elements of the draft decision:

1. retaining the current class A UAFG benchmarks as proposed by Multinet;
2. using the revealed cost approach with a three-year average to calculate benchmarks, consistent with the approach taken for previous periods;
3. that Multinet has been efficiently investing in measure to reduce UAFG during the current regulatory period;
4. accepting Multinet’s proposed Class B 2018 to 2022 UAFG benchmark for the Declared Transmission System (DTS) network of 5.3%. This benchmark is based on a three year average of the most recent settled UAFG data for the years 2013, 2014 and 2015;
5. retaining the non - DTS networks benchmark at 2.0% as proposed by Multinet; and
6. amending clause 2.4(b) of the Gas Distribution System Code (GDSC) to 30 April of the following year as proposed by Multinet.

As part of this submission we have provided the ESC the updated UAFG data for the DTS network (Class A and B) and our non - DTS network, in the spreadsheet template. The requested populated template contains commercially sensitive information. This confidential information has been redacted from the public version of the spreadsheet.

In addition we have also provided copies of the Australian Energy Market Operator (AEMO) final statements in respect of our DTS network for 2015. These final statements contain commercially sensitive information and have been provided to the ESC on a confidential basis for its review and information. We have sought to minimise the amount of information that we claim confidentiality over to make our information as transparent to stakeholders as possible.

To confirm, Multinet accepts the ESC’s draft decision UAFG benchmarks for the 2018 to 2022 period as detailed in Table 1.

Table 1: 2018 to 2022 UAFG class A, B and non-DTS benchmarks (per cent)

	2018	2019	2020	2021	2022
Class B	5.3	5.3	5.3	5.3	5.3
Class A	0.3	0.3	0.3	0.3	0.3
Non - DTS	2.0	2.0	2.0	2.0	2.0

Please contact either myself or Vicky Knighton if you would like to discuss this submission further

Yours sincerely



Mark Beech
General Manager Gas Operations

UAFG data required by the Essential Services Commission

Multinet - Non-DTS network

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
CTM injections (GJ)							68,336	243,990	372,798	418,854	452,817	614,077		
Total withdrawals (GJ)							53,550	204,052	352,526	408,620	393,347	634,115		
Class A withdrawals (GJ)														
Class B withdrawals - D customers (GJ)														
Class B withdrawals - V customers (GJ)														
Actual UAFG (GJ)							14,786	39,938	20,272	10,234	59,470	- 20,038		
Class A UAFG (GJ)														
Class B UAFG (GJ)														
% UAFG							21.64%	16.37%	5.44%	2.44%	13.13%	-3.26%		
% Class A UAFG														
% Class B UAFG														

Reconciliation amounts received/(paid) \$000	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
[C-I-C]							[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]		
[C-I-C]												[C-I-C]		
Total							(\$48,921.89)	(\$131,980.27)	(\$50,290.65)	(\$7,508.15)	(\$205,308.78)	\$131,951.28		

Note:
If any unsettled data is provided, please indicate.

Settled Settled Settled Unsettled Unsettled Unsettled