

Tariff Approval - MultiNet

PROPOSED 2020 DISTRIBUTION TARIFFS

Proposed tariff name	Existing name	Prop 2020 Tariff	Exist 2019 Tariff	Actual 2018 Volumes	Prop Tar Revenue	Exist Tar Revenue
Tariff V - Multinet Residential		Tariff V - Multinet Residential				
1 January - 31 December		1 January - 31 December				
Fixed Charge	Fixed Charge	0.1830	0.1801	677,911	45,281,065	44,563,496
Peak 0 - 0.05	Peak 0 - 0.05	8.8836	8.3680	3,644,227	32,373,873	30,495,037
Peak 0.05 - 0.1	Peak 0.05 - 0.1	5.8383	5.7468	3,061,317	17,872,886	17,592,776
Peak 0.1 - 0.15	Peak 0.1 - 0.15	3.0185	2.9712	2,663,703	8,040,389	7,914,396
Peak 0.15 - 0.25	Peak 0.15 - 0.25	1.5276	1.5036	4,323,577	6,604,697	6,500,931
Peak >0.25	Peak >0.25	1.1329	1.1151	8,511,966	9,643,206	9,491,693
May Shoulder 0 - 0.05	May Shoulder 0 - 0.05	8.4788	7.9867	909,391	7,710,533	7,263,045
May Shoulder 0.05 - 0.1	May Shoulder 0.05 - 0.1	5.5464	5.4594	720,257	3,994,831	3,932,168
May Shoulder 0.1 - 0.15	May Shoulder 0.1 - 0.15	2.8686	2.8236	580,423	1,665,002	1,638,883
May Shoulder 0.15 - 0.25	May Shoulder 0.15 - 0.25	1.4513	1.4285	832,055	1,207,561	1,188,590
May Shoulder >0.25	May Shoulder >0.25	1.0913	1.0742	1,271,058	1,387,105	1,365,370
Oct Shoulder 0 - 0.05	Oct Shoulder 0 - 0.05	8.4788	7.9867	879,746	7,459,176	7,026,276
Oct Shoulder 0.05 - 0.1	Oct Shoulder 0.05 - 0.1	5.5464	5.4594	597,219	3,312,418	3,260,460
Oct Shoulder 0.1 - 0.15	Oct Shoulder 0.1 - 0.15	2.8686	2.8236	387,563	1,111,763	1,094,323
Oct Shoulder 0.15 - 0.25	Oct Shoulder 0.15 - 0.25	1.4513	1.4285	417,871	606,456	596,929
Oct Shoulder >0.25	Oct Shoulder >0.25	1.0913	1.0742	483,169	527,283	519,020
Off Peak 0 - 0.05	Off Peak 0 - 0.05	7.5864	7.1461	4,421,094	33,540,094	31,593,613
Off Peak 0.05 - 0.1	Off Peak 0.05 - 0.1	4.9627	4.8849	1,703,422	8,453,570	8,321,044
Off Peak 0.1 - 0.15	Off Peak 0.1 - 0.15	2.5666	2.5264	742,020	1,904,468	1,874,639
Off Peak 0.15 - 0.25	Off Peak 0.15 - 0.25	1.2985	1.2781	672,244	872,909	859,195
Off Peak >0.25	Off Peak >0.25	0.9766	0.9613	1,113,876	1,087,811	1,070,769
Tariff V - Multinet Non-Residential		Tariff V - Multinet Non-Residential		37,936,197		
1 January - 31 December		1 January - 31 December				
Fixed Charge	Fixed Charge	0.3018	0.2971	15,893	1,750,725	1,723,461
Peak 0 - 0.25	Peak 0 - 0.25	4.0570	3.8216	307,852	1,248,954	1,176,479
Peak 0.25 - 1	Peak 0.25 - 1	2.3486	2.3118	503,330	1,182,120	1,163,598
Peak 1 - 1.5	Peak 1 - 1.5	1.4092	1.3871	195,782	275,896	271,569
Peak 1.5 - 5	Peak 1.5 - 5	0.7842	0.7719	650,339	509,996	501,996
Peak >5	Peak >5	0.2617	0.2576	795,171	208,096	204,836
May Shoulder 0 - 0.25	May Shoulder 0 - 0.25	3.7232	3.5071	74,339	276,781	260,714
May Shoulder 0.25 - 1	May Shoulder 0.25 - 1	2.1139	2.0808	116,401	246,060	242,207
May Shoulder 1 - 1.5	May Shoulder 1 - 1.5	1.3387	1.3177	44,612	59,722	58,785
May Shoulder 1.5 - 5	May Shoulder 1.5 - 5	0.7641	0.7521	145,115	110,882	109,141
May Shoulder >5	May Shoulder >5	0.2353	0.2316	151,404	35,625	35,065
Oct Shoulder 0 - 0.25	Oct Shoulder 0 - 0.25	3.7232	3.5071	68,871	256,423	241,537
Oct Shoulder 0.25 - 1	Oct Shoulder 0.25 - 1	2.1139	2.0808	104,777	221,489	218,020
Oct Shoulder 1 - 1.5	Oct Shoulder 1 - 1.5	1.3387	1.3177	40,642	54,407	53,554
Oct Shoulder 1.5 - 5	Oct Shoulder 1.5 - 5	0.7641	0.7521	127,399	97,346	95,817
Oct Shoulder >5	Oct Shoulder >5	0.2353	0.2316	119,292	28,069	27,628
Off Peak 0 - 0.25	Off Peak 0 - 0.25	3.3767	3.1807	341,454	1,152,992	1,086,057
Off Peak 0.25 - 1	Off Peak 0.25 - 1	2.0411	2.0091	511,891	1,044,820	1,028,440
Off Peak 1 - 1.5	Off Peak 1 - 1.5	1.2218	1.2026	189,884	232,000	228,354
Off Peak 1.5 - 5	Off Peak 1.5 - 5	0.7404	0.7288	547,490	405,362	399,011
Off Peak >5	Off Peak >5	0.2091	0.2058	478,142	99,979	98,402
Tariff V - Yarra Valley Residential		Tariff V - Yarra Valley Residential		5,514,186		
1 January - 31 December		1 January - 31 December				
Fixed Charge	Fixed Charge	0.1830	0.1801	5,449	363,966	358,198
Peak 0 - 0.05	Peak 0 - 0.05	10.5867	9.9722	29,025	307,276	289,442
Peak 0.05 - 0.1	Peak 0.05 - 0.1	7.8394	7.7165	24,230	189,950	186,973
Peak 0.1 - 0.15	Peak 0.1 - 0.15	5.6037	5.5158	21,044	117,925	116,075
Peak 0.15 - 0.25	Peak 0.15 - 0.25	4.4204	4.3511	33,859	149,669	147,323
Peak >0.25	Peak >0.25	4.1198	4.0552	59,279	244,216	240,386
May Shoulder 0 - 0.05	May Shoulder 0 - 0.05	10.2327	9.6387	7,162	73,290	69,036
May Shoulder 0.05 - 0.1	May Shoulder 0.05 - 0.1	7.6078	7.4885	5,596	42,573	41,906
May Shoulder 0.1 - 0.15	May Shoulder 0.1 - 0.15	5.4839	5.3979	4,560	25,007	24,614
May Shoulder 0.15 - 0.25	May Shoulder 0.15 - 0.25	4.3597	4.2913	7,028	30,642	30,161
May Shoulder >0.25	May Shoulder >0.25	4.0742	4.0103	12,088	49,249	48,476
Oct Shoulder 0 - 0.05	Oct Shoulder 0 - 0.05	10.2327	9.6387	7,057	72,211	68,020
Oct Shoulder 0.05 - 0.1	Oct Shoulder 0.05 - 0.1	7.6078	7.4885	4,924	37,461	36,874
Oct Shoulder 0.1 - 0.15	Oct Shoulder 0.1 - 0.15	5.4839	5.3979	3,190	17,496	17,222
Oct Shoulder 0.15 - 0.25	Oct Shoulder 0.15 - 0.25	4.3597	4.2913	2,923	12,743	12,543
Oct Shoulder >0.25	Oct Shoulder >0.25	4.0742	4.0103	3,154	12,850	12,648
Off Peak 0 - 0.05	Off Peak 0 - 0.05	9.5248	8.9720	30,252	288,147	271,424
Off Peak 0.05 - 0.1	Off Peak 0.05 - 0.1	7.1447	7.0327	11,025	78,772	77,537
Off Peak 0.1 - 0.15	Off Peak 0.1 - 0.15	5.2443	5.1621	4,742	24,869	24,479
Off Peak 0.15 - 0.25	Off Peak 0.15 - 0.25	4.2385	4.1720	3,472	14,717	14,486
Off Peak >0.25	Off Peak >0.25	3.9831	3.9206	7,690	30,632	30,151
Tariff V - Yarra Valley Non-Residential		Tariff V - Yarra Valley Non-Residential		282,302		
1 January - 31 December		1 January - 31 December				
Fixed Charge	Fixed Charge	0.3004	0.2957	70	7,675	7,555
Peak 0 - 0.25	Peak 0 - 0.25	6.8094	6.4142	1,543	10,505	9,895
Peak 0.25 - 1	Peak 0.25 - 1	5.1199	5.0396	2,566	13,135	12,929
Peak 1 - 1.5	Peak 1 - 1.5	4.3555	4.2872	812	3,538	3,483
Peak 1.5 - 5	Peak 1.5 - 5	3.8468	3.7865	2,173	8,358	8,227
Peak >5	Peak >5	3.4214	3.3678	8,218	28,116	27,676
May Shoulder 0 - 0.25	May Shoulder 0 - 0.25	6.5376	6.1582	358	2,340	2,204
May Shoulder 0.25 - 1	May Shoulder 0.25 - 1	4.9288	4.8515	579	2,852	2,807

Multinet Victoria 2020 Gas Tariff Model

May Shoulder 1 - 1.5	May Shoulder 1 - 1.5	4.2980	4.2306	176	755	743
May Shoulder 1.5 - 5	May Shoulder 1.5 - 5	3.8304	3.7703	428	1,638	1,612
May Shoulder >5	May Shoulder >5	3.4001	3.3468	2,090	7,106	6,994
Oct Shoulder 0 - 0.25	Oct Shoulder 0 - 0.25	6.5376	6.1582	376	2,461	2,318
Oct Shoulder 0.25 - 1	Oct Shoulder 0.25 - 1	4.9288	4.8515	513	2,527	2,487
Oct Shoulder 1 - 1.5	Oct Shoulder 1 - 1.5	4.2980	4.2306	127	544	535
Oct Shoulder 1.5 - 5	Oct Shoulder 1.5 - 5	3.8304	3.7703	390	1,495	1,471
Oct Shoulder >5	Oct Shoulder >5	3.4001	3.3468	599	2,037	2,005
Off Peak 0 - 0.25	Off Peak 0 - 0.25	6.2554	5.8924	1,664	10,412	9,808
Off Peak 0.25 - 1	Off Peak 0.25 - 1	4.8698	4.7934	2,242	10,916	10,745
Off Peak 1 - 1.5	Off Peak 1 - 1.5	4.2028	4.1369	579	2,433	2,395
Off Peak 1.5 - 5	Off Peak 1.5 - 5	3.8112	3.7514	1,896	7,228	7,114
Off Peak >5	Off Peak >5	3.3787	3.3257	1,266	4,277	4,210
Tariff V - South Gippsland Residential	Tariff V - South Gippsland Residential			28,593		
1 January - 31 December	1 January - 31 December					
Fixed Charge	Fixed Charge	0.1830	0.1801	5,324	355,617	349,981
Peak 0 - 0.05	Peak 0 - 0.05	11.5217	10.8530	24,597	283,398	266,950
Peak 0.05 - 0.1	Peak 0.05 - 0.1	8.5804	8.4459	18,168	155,891	153,448
Peak 0.1 - 0.15	Peak 0.1 - 0.15	6.2062	6.1089	14,199	88,121	86,739
Peak 0.15 - 0.25	Peak 0.15 - 0.25	4.9497	4.8721	19,037	94,225	92,748
Peak >0.25	Peak >0.25	4.6306	4.5580	20,412	94,521	93,039
May Shoulder 0 - 0.05	May Shoulder 0 - 0.05	11.1457	10.4988	5,893	65,686	61,874
May Shoulder 0.05 - 0.1	May Shoulder 0.05 - 0.1	8.3346	8.2039	3,781	31,511	31,017
May Shoulder 0.1 - 0.15	May Shoulder 0.1 - 0.15	6.0790	5.9837	2,390	14,530	14,303
May Shoulder 0.15 - 0.25	May Shoulder 0.15 - 0.25	4.8853	4.8087	2,237	10,929	10,758
May Shoulder >0.25	May Shoulder >0.25	4.5820	4.5102	1,733	7,939	7,815
Oct Shoulder 0 - 0.05	Oct Shoulder 0 - 0.05	11.1457	10.4988	5,413	60,333	56,831
Oct Shoulder 0.05 - 0.1	Oct Shoulder 0.05 - 0.1	8.3346	8.2039	2,610	21,752	21,411
Oct Shoulder 0.1 - 0.15	Oct Shoulder 0.1 - 0.15	6.0790	5.9837	1,368	8,315	8,184
Oct Shoulder 0.15 - 0.25	Oct Shoulder 0.15 - 0.25	4.8853	4.8087	1,192	5,822	5,731
Oct Shoulder >0.25	Oct Shoulder >0.25	4.5820	4.5102	1,400	6,417	6,316
Off Peak 0 - 0.05	Off Peak 0 - 0.05	10.3941	9.7908	21,344	221,852	208,976
Off Peak 0.05 - 0.1	Off Peak 0.05 - 0.1	7.8428	7.7198	5,784	45,366	44,654
Off Peak 0.1 - 0.15	Off Peak 0.1 - 0.15	5.8247	5.7334	2,586	15,064	14,828
Off Peak 0.15 - 0.25	Off Peak 0.15 - 0.25	4.7565	4.6819	2,099	9,982	9,826
Off Peak >0.25	Off Peak >0.25	4.4852	4.4149	5,478	24,570	24,185
Tariff V - South Gippsland Non-Residential	Tariff V - South Gippsland Non-Residential			161,721		
1 January - 31 December	1 January - 31 December					
Fixed Charge	Fixed Charge	0.3018	0.2971	112	12,338	12,145
Peak 0 - 0.25	Peak 0 - 0.25	7.5105	7.0747	2,428	18,237	17,178
Peak 0.25 - 1	Peak 0.25 - 1	5.6927	5.6034	4,550	25,904	25,497
Peak 1 - 1.5	Peak 1 - 1.5	4.8807	4.8042	2,154	10,513	10,348
Peak 1.5 - 5	Peak 1.5 - 5	4.3408	4.2727	8,850	38,415	37,812
Peak >5	Peak >5	3.8890	3.8280	13,121	51,026	50,225
May Shoulder 0 - 0.25	May Shoulder 0 - 0.25	7.2220	6.8029	573	4,137	3,896
May Shoulder 0.25 - 1	May Shoulder 0.25 - 1	5.4896	5.4035	1,090	5,986	5,892
May Shoulder 1 - 1.5	May Shoulder 1 - 1.5	4.8199	4.7443	514	2,476	2,437
May Shoulder 1.5 - 5	May Shoulder 1.5 - 5	4.3232	4.2554	2,056	8,889	8,750
May Shoulder >5	May Shoulder >5	3.8662	3.8056	2,889	11,171	10,996
Oct Shoulder 0 - 0.25	Oct Shoulder 0 - 0.25	7.2220	6.8029	554	4,002	3,770
Oct Shoulder 0.25 - 1	Oct Shoulder 0.25 - 1	5.4896	5.4035	1,052	5,777	5,686
Oct Shoulder 1 - 1.5	Oct Shoulder 1 - 1.5	4.8199	4.7443	482	2,325	2,289
Oct Shoulder 1.5 - 5	Oct Shoulder 1.5 - 5	4.3232	4.2554	1,965	8,494	8,360
Oct Shoulder >5	Oct Shoulder >5	3.8662	3.8056	2,203	8,516	8,383
Off Peak 0 - 0.25	Off Peak 0 - 0.25	6.9224	6.5206	2,968	20,547	19,355
Off Peak 0.25 - 1	Off Peak 0.25 - 1	5.4269	5.3418	5,770	31,315	30,823
Off Peak 1 - 1.5	Off Peak 1 - 1.5	4.7186	4.6446	2,612	12,325	12,131
Off Peak 1.5 - 5	Off Peak 1.5 - 5	4.3028	4.2353	8,568	36,866	36,287
Off Peak >5	Off Peak >5	3.8436	3.7833	8,088	31,086	30,599
Tariff D - Multinet	Tariff D - Multinet			72,487		
0 - 50	0 - 50	599.0102	579.1926	3,278	1,963,364	1,898,408
> 50	> 50	101.9165	98.5447	461	46,994	45,439
New Tariff L- Multinet Non-Residential	New Tariff L- Multinet Non-Residential					
1 January - 31 December	1 January - 31 December					
Fixed Charge	Fixed Charge	-	-	13	-	-
Peak < 5	Peak < 5	0.6416	0.6204	6,384	4,096	3,961
Peak > 5	Peak > 5	0.1377	0.1331	29,560	4,070	3,934
May Shoulder < 5	May Shoulder < 5	0.5689	0.5501	1,688	960	929
May Shoulder > 5	May Shoulder > 5	0.1292	0.1249	5,646	729	705
Oct Shoulder < 5	Oct Shoulder < 5	0.5689	0.5501	1,591	905	875
Oct Shoulder > 5	Oct Shoulder > 5	0.1292	0.1249	4,687	606	585
Off Peak < 5	Off Peak < 5	0.4511	0.4362	8,367	3,774	3,650
Off Peak > 5	Off Peak > 5	0.1026	0.0992	16,303	1,673	1,617
New Tariff L - Multinet	New Tariff L - Multinet			74,226		
Rolling 12 month max [\$/GJ]	Rolling 12 month max [\$/GJ]	0.5965	0.5768	43	9,406	9,095
Peak Demand [\$/GJ (MHQ/d)]	Peak Demand [\$/GJ (MHQ/d)]	1.7848	1.7258	35	7,578	7,327
Tariff D - Multinet South Gippsland	Tariff D - Multinet South Gippsland					
0 - 50	0 - 50	647.1776	625.7664	100	64,718	62,577
> 50	> 50	110.1051	106.4624	135	14,814	14,323
Total Revenue	Total Revenue				210,564,721	203,598,413



The Directors
Multinet Gas Distribution Partnership
43/45 Centreway
Mount Waverley VIC 3149

4 October 2019

The Directors

Independent assurance report on the limited assurance procedures performed over actual gas volumes reported for the period 1 January 2018 to 31 December 2018 on the 2020 proposed distribution tariffs schedule for Multinet Gas Distribution Partnership

Scope

In accordance with the terms of engagement letter dated 2 October 2019, we were engaged by Multinet Gas Distribution Partnership (“MGDP”) to perform an independent limited assurance engagement in respect of the actual gas volumes reported (the “Subject Matter”) for MGDP for the period 1 January 2018 to 31 December 2018 (the “Period”) on the attached 2020 proposed distribution tariffs schedule. The criteria (the “Criteria”) against which we assessed the Subject Matter is set out in Section 4.3 of Part B of the Multinet Gas - Access Arrangement 2018 – 2022 (the “Access Arrangement”).

Director’s responsibilities

MGDP is responsible for the preparation of the proposed distribution tariffs schedule for the period 1 January 2018 to 31 December 2018 in accordance with the Criteria.

Our Independence and Quality control

We have complied with relevant ethical requirements related to assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In accordance with Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements* the firm maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibilities

Our responsibility is to express a limited assurance conclusion based on the procedures we have performed and the evidence we have obtained over the reported actual gas volumes included on the 2020 proposed distribution tariffs schedule as measured by the Access Arrangement.

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Our engagement has been conducted in accordance with the Australian Standard on Assurance Engagements (ASAE 3000) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. That standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention to indicate that the 2020 proposed distribution tariffs schedule has not been prepared, in all material respects, in accordance with the Criteria, for the Period. The procedures we performed were based on our professional judgement and included:

- Obtaining a detailed understanding of the processes undertaken by MGDGP to gather gas volumes data through their engagement of Skilltech (a third party engaged to perform meter reads);
- Agreeing gas volumes for the period reported on the 2020 proposed distribution tariffs schedule to information extracted from MGDGP's accounting system;
- Comparing reported gas volumes for the year ended 31 December 2018 to reported gas volumes for the year ended 31 December 2017 and obtaining explanations for material variances; and
- Testing of mathematical accuracy of the 2020 proposed distribution tariffs schedule.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Use of report

This report was prepared for the directors of MGDGP in accordance with their requirements to lodge a proposed distribution tariffs schedule with the Australian Energy Regulatory ("AER"). We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the Directors of MGDGP, or for any purpose other than that for which it was prepared.

Inherent limitations

Because of the inherent limitations of any work planned and executed under ASAE 3000, it is possible that fraud, error or non-compliance may occur and not be detected. A limited assurance engagement is not designed to detect all instances of non-compliance of the preparation of the proposed distribution tariffs schedule as measured against the Criteria, as it is limited primarily to making enquiries of management, and applying analytical procedures. The limited assurance conclusion expressed in this report has been formed on the above basis.



Conclusion

Based on our completion of limited assurance procedures, which is not an audit, nothing has come to our attention that causes us to believe that the reported actual gas volumes for the period 1 January 2018 to 31 December 2018 on the proposed distribution tariffs schedule have not been prepared in accordance with section 4.3 of Part B of the Multinet Gas - Access Arrangement 2018 - 2022.

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A handwritten signature in black ink, appearing to read 'J McCarthy', is written over a faint, light-colored rectangular stamp or watermark.

Julian McCarthy
Partner

Adelaide
4 October 2019