

Project Overview



Project Name: UAFG Reconciliation Refresh – IT33

Description: The UAFG reconciliation platform provides the capability to calculate MG UAFG from CTM and customer metering data. In addition to calculating UAFG this platform provides required reporting and reconciliation to billing. The capability is delivered with a mix of technologies that require refreshing to maintain vendor support.

Strategic Alignment: This project allows MG to maintain its capability to calculate and report on UAFG using the AEMO Wholesale Market Distribution UAFG procedures (Victoria) made under Rule 317 of the National Gas Rules and supports the following key MG strategic themes:

- Maintain systems to industry standard to reduce risk of disruption to customers and retain levels of efficiency;
- Ensure readiness to achieve regulatory requirements

The capital expenditure for this project is justified as it is:

- Prudent and efficient in line with accepted good industry practice; and
- Necessary to maintain the integrity and safety of MG's services.

Options: All credible options have been assessed the options considered include:

1. Do Nothing – Continue to operate the current UAFG platform with the increasing risk of failure due to reliance on unsupported software.
2. **Refresh the UAFG reconciliation platform** – Update the UAFG platform with currently supported software. This will require some components to be replaced to maintain the current capability where existing software is now obsolete.

Rationale: The recommended option is:

2. Refresh the UAFG reconciliation platform.

The proposed solution is to refresh the software used to deliver the UAFG reconciliation capability to maintain MG's capability to meet the requirements of the AEMO Wholesale Market Distribution UAFG procedures. This is the lowest cost solution that maintains the required capability to meet the AEMO requirements. This approach is in line with MG's IT Asset Management Policy.

The Do Nothing option was not selected as it was considered that delivering a required business capability on unsupported software is an unacceptable risk to MG.

Timing: Q1 2020 to Q4 2020

Cost: \$605,894
No IT operating cost impact is expected.

Notes: