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# Consumer Initiated Work Investment Policy

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**Works Manual:**

- Mains Laying
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- Other
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**Subsidiary Use:**

TGN       TGR       BEA       Other: \_\_\_\_\_  
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## Consumer Initiated Work Investment Policy

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### Document History

Version number	Published date	Description of change
1.0	July 2010	New document
2.0	Dec 2012	Review and update
3.0	Jan 2014	Document review - template updated
4.0	Mar 2015	Review and update
5.0	Nov 2015	Transfer to Brookfield template

### References

Cited References: Directives referred to in this document.

Additional Reading: Information relevant to this document but not cited.

All works shall be carried out in accordance with the latest editions and subsequent amendments of all relevant standards and codes, as well as federal, state and local legislation, including the following:

#### Cited References

Title	Document ID
Ownership Policy	BMSDOC-18-489
Residential Terms and Conditions	BMSDOC-18-901

#### Additional Reading

Title	Document ID
Connection Guidelines	BMSDOC-18-409

Note: Drawings and plans of the distribution network are available through the Tas Gas drawing office via the GIS system. These plans are continually updated when new network infrastructure is installed or additional/corrective information is obtained about the location of the existing asset.

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## Consumer Initiated Work Investment Policy

### 1. SCOPE

This policy defines the level of investment to be made by Brookfield TGN Holdings Pty Ltd and its subsidiaries into Consumer Initiated Work (CIW) on a gas network.

The policy also covers how the transaction between the Consumer/Developer and Brookfield will occur in respect of CIW.

### 2. APPLICATION

This policy applies to Brookfield TGN Holdings Pty Ltd and its subsidiaries, hereinafter referred to as 'Brookfield', and all employees, contractors and sub-contractors as appropriate.

This policy shall apply to CIW in regions and towns/cities where Brookfield entities have a commissioned natural gas distribution main fronting a property's street address.

### 3. DEFINITIONS

Term	Description
Brookfield	Brookfield TGN Holdings Pty Ltd includes but is not limited to the following subsidiaries: <ul style="list-style-type: none"> <li>Tas Gas Networks (TGN)</li> <li>Tas Gas Retail (TGR)</li> <li>Brookfield Energy Australia (BEA)</li> <li>Brookfield Regional Networks (BRN)</li> <li>Brookfield Regional Energy (BRE)</li> <li>Brookfield District Energy (BDE)</li> </ul>
CIW	Consumer Initiated Work (more information below this table)
Connection Charges	The amount of money the Consumer must contribute to the Consumer Initiated Work to enable the work to proceed.
Consumer Work	The appliances, fittings, mains, pipes, etc. downstream of the Delivery Point. Brookfield is not responsible for the ownership maintenance of these assets.
Delivery Point	The outlet of the meter for which either an outlet valve or consumer piping is directly connected. Refer to the Brookfield Ownership Policy (BMSDOC-18-489) for additional details on asset ownership.
Gas Measurement System or GMS	Gas meters and ancillary equipment including filters, isolation valves, pressure relief equipment, pressure regulation equipment, over/under pressure protection devices and enclosures.
GJ	Gigajoule
New Revenue	Additional revenue to Brookfield as a result of a new Consumer connection and/or an upgrade to an existing Consumer's load resulting in new revenue.
Service Pipe	The Brookfield owned gas pipe installed to connect a GMS to the main on the distribution network.
Brookfield Investment	The amount of money Brookfield is prepared to invest into the Consumer Initiated Work. This is calculated given the future forecast returns from the development.

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Consumer Initiated Work means work to construct new assets that would form part of the Brookfield-owned network and/or work to upgrade, alter or relocate existing Brookfield assets for any of the following purposes:

- connection of a new Consumer to the Brookfield network;
- extension of the Brookfield network to new Consumers; and
- upgrade of the Brookfield network to meet the gas capacity needs for any of the above, or to meet the gas capacity needs of an existing Consumer where their load or capacity requirements have increased.

For the avoidance of doubt, Consumer Initiated Work shall include:

- all gas meter sets (GMS) installations;
- all gas service pipes;
- all network extension work;
- all network capacity upgrading work; and
- the moving, relocating or altering of the existing Brookfield network for an existing Consumer or a third party with an interest in the assets.

### 4. POLICY OBJECTIVES AND PRINCIPLES

This document is a controlled policy under Brookfield's internal business management system. Brookfield reserves the right at its sole discretion and without consultation to amend or withdraw this policy. Brookfield will provide licensed gas retailers with 4 weeks' written notice of any proposed changes to or withdrawal of this policy.

### 5. INVESTMENT POLICY

Brookfield will invest in the gas network to meet the needs of specific Consumer or third party requests under the following principles.

The level of Brookfield Investment made into any Consumer Initiated Work shall be commensurate to the level of commercial return that Brookfield (at its sole discretion but acting reasonably) believes it will receive as a result of the work, such that:

- The New Revenue received from the new Consumer or existing Consumer upgrade shall provide for Brookfield to receive an adequate commercial return on the Brookfield Investment into the Consumer Initiated Work and the existing common Brookfield network after considering:
  - The marginal increase in operating and maintenance costs.
  - The marginal increase in overhead costs.
- The value of the deferment in renewal expenditure as a result of early replacement of existing assets involved in Consumer Initiated Work shall be determined and accounted for in the analysis.

Individual commercial/domestic Consumers or subdivision developers may be required to make a financial contribution (Connection Charges) towards the cost of the Consumer Initiated Work where the level of Brookfield Investment does not cover the capital cost of

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the Consumer Initiated Work. The Connection Charges will not exceed the capital cost of the Consumer Initiated Work.

Where benefit of the Consumer Initiated Work is shared among a number of Consumers applying for connection then the Connection Charges shall be apportioned by Brookfield at its sole discretion (acting reasonably) between those Consumers and based on Brookfields' view of their projected annual consumption.

The Connection Charges into the Consumer Initiated Work shall be treated as pre-payment of uneconomic line charges. The Consumer shall not be entitled to a refund of any portion of the Connection Charges should any other Consumer subsequently connect to and benefit from the Brookfield network that was constructed as Consumer Initiated Work for the first Consumer.

The salvage value of major items of equipment (typically commercial/industrial GMS equipment) that will be replaced as a result of capacity upgrades shall be credited to the cost of the Consumer Initiated Work. The value shall be determined by Brookfield at its sole discretion. The equipment remains the property of Brookfield.

The Brookfield investment methodology, cost components and commercial return requirements shall be, at a minimum, reviewed annually by Brookfield.

All Consumer Initiated Work shall be designed and specified by Brookfield.

Contractors installing Consumer Initiated Work shall be approved and contracted directly to Brookfield and invoice Brookfield directly for CIW.

Any financial contributions (Connection Charges) to be paid by Consumers or developers for Consumer Initiated Works shall be directly invoiced by Brookfield and payable to Brookfield. CIW will not be commissioned until payment has been received.

At Brookfields' sole discretion but acting reasonably, promoters of sub-divisions may elect to reduce capital costs by contributing to or assisting with trenching, provision of road crossing conduits, supply and placement of bedding materials and quarry product etc.

This document should be read in association with *Residential Standard Terms and Conditions* (BMSDOC-18-901).

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### 6. INVESTMENT STANDARD FOR CONSUMER INITIATED WORKS

Brookfield shall provide investment into Consumer Initiated Work to the maximum amounts as detailed in the table below.

No	Description of Consumer Initiated Work	Brookfield Investment
1*	Construction and connection of the service pipe from (and including) the GMS to the existing network for a new domestic with an estimated <u>annual</u> consumption of less than 20GJ.	Less than 20 GJ: Installed service pipe from the property boundary (maximum 25 metres) to and including the GMS. Customer will be required to contribute \$1500 towards cost of service connection.
	Construction and connection of the service pipe from (and including) the GMS to the existing network for a new domestic with an estimated <u>annual</u> consumption greater than 20GJ .	Greater than 20 GJ: Installed service pipe from the property boundary (maximum 25 metres) to and including the GMS. Customer will be required to contribute \$300 towards cost of service connection.
2	Construction and connection of the service pipe from the property boundary to and including the GMS (in excess of 25 metres or other circumstances which make the connection difficult or unviable) for a new domestic Consumer.	As determined by Brookfield on a case by case basis.
3	Construction and connection of the service pipe to (and including) the GMS for a commercial service.	As determined by Brookfield on a case by case basis to ensure the commercial viability of the service.
4	Extension and/or upgrade of the existing network to a new domestic or industrial/commercial customer.	As determined by Brookfield on a case by case basis.
5	Extension and/or upgrade of the network to and within a new domestic or industrial/commercial subdivision.	As determined by Brookfield on a case by case basis.
6	Moving, relocating or altering existing Brookfield-owned assets at the request of an existing Consumer or a third party with an interest in the assets.	Nil
7	Upgrade of individual (existing) service pipe or GMS due to an increase in load. May include upstream mains reinforcement.	Brookfield Commercial Team shall calculate the maximum Brookfield investment based on the information provided to establish new revenue projections.
8	Meter enclosure requested.	As determined by Brookfield on a case by case basis.

\* Refer Section 7 - Table showing Connection Charges for estimate appliance usage to assist in determining annual usages

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### 7. CONNECTION CHARGES

Connecting Appliances	Individual Annual Load	Expected Annual Load	Brookfield Contribution	Customer Cost
<b>Low Usage Appliances, or a combination less than 20 GJ pa</b>				
BBQ (fixed)	1 GJ	<20 GJ per annum	Nil	\$1,500
Cook – top	2 GJ			
Outdoor gas heater	3 GJ			
Unflued Heating	10 GJ			
Gas Hot water (ensuite only)	10 GJ			
Solar boosted hot water	12 GJ			
<b>Single Appliance or combination of Appliances greater than 20 GJ pa</b>				
Ducted Heating	50 GJ	>20 GJ per annum	\$1,200	\$300
Hydronic Heating	50 GJ			
Gas Hot Water (instantaneous or storage)	22 GJ			
Flued Space Heating	22 GJ			
Flame Effect Fire	22 GJ			
Combination of Appliances	As per table			